Final Report
of the
ACTION COMMITTEE ON THE RURAL ECONOMY
(ACRE)

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EXECUTIVE SUMMARY

Rural Saskatchewan is at a crossroads. Over the last 50 years, rural Saskatchewan has had declining farm numbers, a falling population, a loss of services in both the private and public sectors and the continuing out-migration of its young people. The continuing loss of population and resulting decrease in the level of services has, in the opinion of many people, reached a stage where there may not be the critical mass of people left to have a functioning rural economy. This long-term decline has produced a feeling among some that there is no future in rural Saskatchewan.

The current situation facing the people of rural Saskatchewan is related to changes that have occurred and are occurring in the major sectors that drive the rural economy. Economic development in rural Saskatchewan has traditionally been focussed on primary agriculture[1] (especially the crops sector) and to a lesser extent the resource sector (oil, forestry and mining). A traditional view of Saskatchewan is that if the crops sector is thriving then rural Saskatchewan is thriving. Within these sectors, Saskatchewan generally relies on producing bulk commodities for export - whether it is in primary agriculture, forestry, oil or mining.

The manufacturing/processing sector has also contributed to the creation of wealth and employment in rural Saskatchewan, however, this sector has been traditionally smaller than the other sectors.

Commodity production, whether it is producing crops, cutting trees or mining minerals which used to be a labour intensive and in the case of crop production a high margin industry, is now very capital intensive with low margins. While primary agriculture (crop production) and the resource sectors continue to generate wealth for Saskatchewan, these sectors are generating wealth with less labour.

There is a strong consensus of those involved in rural development policy that these trends in the primary agriculture and resource sectors will continue. While primary agriculture (crops sector) and the resource sectors will continue to generate wealth, this wealth generation will arise with fewer and larger farms[2] and with little or no employment growth.

The service (tertiary) and construction sector is by far the largest employer in rural Saskatchewan[3], however, without the other sectors: primary agriculture, resource and manufacturing/processing, there is little need for the service and construction sector. In other words, this sector only exists to provide goods and services to the three sectors that drive the economy.[4]

As employment falls in the sectors that drive the economy (in particular the primary agriculture sector), there is less need for services, especially for those services that are very people focussed such as restaurant, accounting, legal profession, education, etc.

This spiralling effect of falling employment, in the sectors that drive the economy, which then feeds upon the service and construction sector, results in fewer employment opportunities in rural Saskatchewan. The lack of employment prospects means that people, and especially the young, have been leaving rural Saskatchewan to seek employment in larger centres or in other provinces.

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[1] Primary agriculture as defined by ACRE, is the production of agricultural commodities such as growing crops and raising livestock.

[2] In some jurisdictions, the number of small farms are increasing where there are off-farm employment opportunities. ACRE believes that the livestock sector can create both wealth and employment.

[3] See the section on "Future of Rural Saskatchewan: What ACRE has Found Through Their Work" for a more detailed description of the rural economy.

[4] Tourism and providing internet services to other jurisdictions could also be considered economic drivers even though they are in the service sector.

With this in mind, the province established the Action Committee on the Rural Economy (ACRE) in September 2000. ACRE consisted of forty-three representatives involved in rural development, who were committed to working with rural interest groups, producer associations, the co-operative sector, agribusiness, government, universities and other relevant stakeholder groups to identify opportunities for government action to strengthen the rural economy.

The mandate of ACRE did not include developing or analysing farm safety net programs, as there were other on-going provincial processes, such as the Farm Support Review Committee, that were examining these issues.

As ACRE began the task of analysing the economy of rural Saskatchewan and developing strategies to enhance that economy, they were confronted with the perception that rural Saskatchewan is in a "death spiral" and that there is no hope for a turn around. During the course of their work, ACRE saw various trends that pointed in this direction, however, they saw little or no evidence that rural Saskatchewan was a lost cause. In other words there is real hope for rural Saskatchewan and rural residents, and Saskatchewan residents in general still have a chance to reverse the fortunes of rural Saskatchewan.

Since its first meeting in September 2000, ACRE has conducted extensive analysis and research, consulted with rural residents and met with individuals and organizations that play an important role in the rural economy. ACRE felt that they should be guided by a number of principles as they proceeded through their work. At their first meeting ACRE developed the following principles.

All proposals and recommendations need to consider these values:

1. They must be environmentally acceptable.
2. They must be socially acceptable.
3. They must be economically viable.
4. They must be sustainable in the long run.

Early on in the ACRE process, it was clear that analysing the economy of rural Saskatchewan and presenting options for enhancing rural economic development was a major undertaking. To facilitate the process, eight subcommittees were established to analyse the various aspects of the rural economy. Five subcommittees were set up to examine the various economic sectors in rural Saskatchewan. The sectors were:

- Agriculture
- Agri-value
- Resources
- Rural Manufacturing and Construction
- Rural Service

Two subcommittees, Farm Income and Farm Structure and Community in Evolution, looked at rural communities and farms as these are critical social and structural elements in rural Saskatchewan. The eighth subcommittee, Tools for Economic Development, was set up to look at various models and tools for rural revitalization.

During the latter stages of their work, ACRE felt that two issues, transportation and the grains and oilseeds sector, needed further and more in-depth analysis. ACRE, therefore, established two subcommittees to deal with these issues.

Seven interim recommendations were developed by ACRE during the course of their work. ACRE felt that these recommendations were so critical to the future of rural Saskatchewan that they needed to be acted upon before the completion of their work. The first six were forwarded to the provincial government in January 2001 while recommendation seven was sent to the government in November 2001. The recommendations dealt with the following areas:

1. Access to capital funding;
2. Rural skills development program;
3. Approval process guide for development projects;
4. Communications infrastructure;
5. Immigration policy;
6. Education/publicity program on rural Saskatchewan successes and competitive position; and
7. Ethanol and bio-blended fuels.

What ACRE Found

All of the subcommittees submitted reports to ACRE (the two working groups will be issuing their final reports in the near future). To complement the work of the subcommittees, ACRE felt that a broad economic overview was needed to provide an effective strategy for rural development. ACRE contracted an independent consultant to carry out this analysis.

The analysis reconfirmed the perception of the rural economy and found that the rural economy is doing quite well from an output perspective, but with little employment growth. The consultant was requested to develop a strategy that would produce both more output and more employment. To accomplish this, the study found that:

- Gross domestic product (GDP) growth would have to be well above the long term trend.
- There needs to be massive investment in the rural economy.
- The size of the investment dictates that the vast majority of the investment must come from the private sector generally and out-of-province sources specifically as the provincial treasury and private savings of Saskatchewan residents are simply not large enough to sustain this level of investment.
- It is up to the private sector to take advantage of the opportunities. Jobs cannot be created for the sake of jobs, but must arise as a desirable spin-off of profitable businesses.
- The population of rural Saskatchewan will need to grow from 575,000 to 800,000 over the next twenty years in order to provide an adequate labour force.
- There must be a significant increase in international and inter-provincial migration to the province to meet this employment and population target.

In summing up what ACRE has learned over the course of its work, the members of ACRE came to the conclusion that **the fundamental change that must be made to revive the fortunes of rural Saskatchewan must come from within rural Saskatchewan.** While the provincial government has an important role to play in facilitating change, and outside investment in both terms of capital and people, at the end the day it is the residents of rural Saskatchewan that will make the key difference in "turning around rural Saskatchewan". Within this general conclusion, there are a number of common sub-themes that support this view. These include the following:

1. There are a large number of opportunities in rural Saskatchewan. The report highlights many examples of entrepreneurs and local communities taking advantage of the opportunities and creating wealth and employment.

2. The "status quo" or "business as usual" is not an option. We cannot keep doing what we have been doing if we are truly serious about reversing the decline. Making only minor changes or tinkering at the edges will not work; we have tried this type of strategy for years and it has not worked.

3. The negative attitude of some Saskatchewan residents, both rural and urban about rural Saskatchewan is a major obstacle to reviving the fortunes of rural Saskatchewan. Many rural residents see no future in rural Saskatchewan and this affects their outlook in terms of developing new initiatives or new businesses that could impact positively on their lives and communities.

   The negativity about rural Saskatchewan does not make rural Saskatchewan an attractive place for new immigrants or for new investment.

4. If we wish to stop the decline of population and keep the young people in rural Saskatchewan we need to create jobs in rural Saskatchewan.

5. The creation of jobs will come about from entrepreneurs and local communities with ideas. Through hard work and investment these ideas will translate into profitable businesses which will then create employment for rural residents.

6. The role of government is not to pick winners but to set the proper economic and business climate and remove roadblocks so that Saskatchewan entrepreneurs and communities can take advantage of the opportunities.

The decline in rural Saskatchewan has been an on-going process for 50 years. Reversing this situation will not occur overnight and there are no short term fixes. ACRE is of the belief that the revitalization

process will be at least a 20 year project. While this seems like a long time period, ACRE believes this time period is the only way of achieving long-term sustainable growth in rural Saskatchewan.

Recommendations and Implementation

The recommendations developed by ACRE are based on the premise that there are a number of constraints hindering the development of opportunities in rural Saskatchewan. Provincial government implementation of the recommendations would reduce or remove these constraints. Many of them deal with regulatory impediments, while others involve government expenditures in areas of infrastructure, social (education and training) and physical development and start-up assistance for businesses. Tax issues and their impact on business development are also addressed.

The recommendations developed by the subcommittees are divided into "priority" and "other" recommendations categories. The recommendations in the "priority" group have been categorized into six theme areas: Competitiveness; Skills Development; Infrastructure; Sector Specific; Facilitating Change; and Research and Development. The "priority" recommendations have been approved by the whole ACRE committee and will be passed on to the provincial government.

The "other" recommendations have been approved at the subcommittee level, however, **they have not been approved by the whole ACRE committee**. Thus, they should not be seen as recommendations that will be going to government at this time. It is anticipated that, in the near future, these recommendations will be reviewed and voted upon by ACRE. Those recommendations approved by ACRE will then be passed on to the provincial government.

Throughout the ACRE process and in discussions with rural residents, the issue of whether the province would implement the recommendations proposed by ACRE was expressed on a number of occasions. There is a genuine concern that this report and its recommendations will be presented to government, and like other reports will be "put on a shelf to collect dust." ACRE members and rural residents believe that the revitalization of rural Saskatchewan and the findings of this report are too important to be ignored.

To prevent this report from "collecting dust," ACRE will develop an accountability and monitoring mechanism to ensure that the provincial government is held accountable in implementing the recommendations put forward by ACRE.

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I INTRODUCTION

Rural Saskatchewan is at a crossroads. Over the last 50 years, rural Saskatchewan has had declining farm numbers, a falling population, a loss of services in both the private and public sectors and the continuing out-migration of its young people. The continuing loss of population and resulting decline in the level of services has, in the opinion of many people, reached a stage where there may not be the critical mass of people left to have a functioning rural economy. This long-term decline has produced a feeling among some that there is no future in rural Saskatchewan.

> *"Fifty years of complacency had allowed our community to shrink in populations, economic viability, and regional importance. The closure of the hospital had given us a glimpse of our future... and it was not one we wanted for our children and grandchildren. Many of us felt a sense of guilt as we remembered the legacy left to us by our pioneer ancestors who settled this region with courage, optimism, creativity, innovation and a belief they could build a better land."*
>
> *Margaret Skinner, Wilkie*

The negativity surrounding rural Saskatchewan and its future, especially the crisis in primary agriculture,[1] further accentuates the difficulty in trying to reverse the decline. The doom and gloom associated with rural Saskatchewan has a significant effect on the attitude of its residents. Many rural residents see no future and this affects their outlook in terms of developing new initiatives or new businesses that could impact positively on their lives and communities. In many cases the negative attitude is passed on to their children, which further encourages the youth to leave rural Saskatchewan.

The negativity about rural Saskatchewan is just as harmful to the world beyond rural Saskatchewan. The view that rural Saskatchewan is in terminal decline, does not make it an attractive place for new immigrants, whether they are from urban Saskatchewan, outside the province or outside the country. Why would some new potential immigrant move to rural Saskatchewan, buy a house and set up a business when they are told that it "is in a death spiral?" The same is true of outside investment, why would someone want to invest in a project when all a person hears is doom and gloom?

However, when one takes a closer look at the rural Saskatchewan economy, as ACRE did during their work, the negative attitude is overstated. ACRE's analysis shows the economy of rural Saskatchewan is doing quite well from an economic growth perspective, but the economic growth is occurring with little or no employment growth. This is especially true in primary agriculture, the major economic driver in rural Saskatchewan which is growing at a reasonable rate but doing so with less employment. The lack of employment growth, especially in primary agriculture, can be linked to the decline in population, as the lack of employment opportunities forces rural residents to leave rural Saskatchewan to find employment.

Therefore, the key economic strategy for rural Saskatchewan is to have growth in both employment and the economy.

The question facing rural Saskatchewan is, how can the target of growth in both employment and the economy be achieved? Some people suggest that it is up to the provincial government to grow the economy, that is, the government should be creating the jobs. Others suggest that rural communities should focus on attracting outside firms to locate to rural Saskatchewan. However, the analysis done by ACRE suggests that to achieve long-term sustainable economic and employment growth, this growth must mainly come from and be initiated within rural Saskatchewan. That is, this growth must come from local entrepreneurs and the local communities creating profitable businesses, which in turn creates employment. Many communities and entrepreneurs in rural Saskatchewan have recognized this and have created new businesses and new employment. Some of these experiences are highlighted in the report.

[1] Primary agriculture as defined by ACRE, is the production of agricultural commodities such as growing crops and raising livestock.

The provincial government can help facilitate this growth by developing a regulatory and legislative climate that is conducive to creating an entrepreneurial business economy and by investing in the social (education, health care, etc.) and physical infrastructure. This role, however, does not necessarily include initiating projects or developments; this type of activity must be initiated by local communities and entrepreneurs.

Returning to the discussion about attitude, it is the view of ACRE that reversing the fortunes of rural Saskatchewan is unlikely to occur unless there is a change in the attitude about rural Saskatchewan from both rural and urban residents. The importance of attitude cannot be overstated.

> *"I remember the attitude of doom and gloom in Moose Jaw in the mid 1980s and now it is one of elation. It is all a matter of attitude."*
>
> *Gordon Johnson, Moose Jaw*

One of the keys to the success of Alberta is the view "that Alberta is the place to be." This positive outlook is not only ingrained in the minds of Alberta residents, but prevails among people living outside Alberta, as witnessed by the views of many Saskatchewan residents towards Alberta. This positive attitude builds upon itself and has been a very powerful catalyst in creating the booming Alberta economy.

This Alberta mindset was similar to the attitude that prevailed about Saskatchewan prior to 1929, when "Saskatchewan was the place to be in Canada." The onset of the Great Depression and the decade long drought beginning in 1929, not only had a large economic impact but a huge impact on the psyche of Saskatchewan residents. The severe economic conditions changed people's deposition towards risk taking and the role of government in society. Those who endured the Depression of the 1930s passed these attitudes and beliefs on to their descendents and these attitudes, in many ways, continue to persist to this day.

> *"My family and I also lived in Ontario and Alberta, however, I am convinced that Saskatchewan is the best province of all because of the great community spirit and the rural landscape."*
>
> *Ray Marby, Wolseley*

Therefore, the residents of rural Saskatchewan and residents of Saskatchewan generally must develop the mindset that "Saskatchewan and especially rural Saskatchewan is the place to be." As ACRE discovered during their work, there are numerous opportunities in rural Saskatchewan to create wealth and employment. All it takes are entrepreneurs and local communities with good ideas and money to capitalize on these opportunities. Once this "can do" attitude is ingrained in the minds of Saskatchewan residents, this will create the positive mindset that is so critical to developing a vibrant economy and vibrant communities.

ACRE recognizes that reversing the decline in rural Saskatchewan will not occur "overnight" and that there are no quick fixes. It has taken 50 years for rural Saskatchewan to reach this stage and it will take at least 20 years to achieve ACRE's objective of creating a sustainable and dynamic economy in rural Saskatchewan.

II STATE OF THE ECONOMY IN RURAL SASKATCHEWAN

Economic development in rural Saskatchewan has traditionally been focussed on primary agriculture (especially the crops sector) and to a lesser extent the resource sector (oil, forestry and mining). A traditional view of Saskatchewan was that if the crops sector was thriving then rural Saskatchewan was thriving. Within these sectors, Saskatchewan generally relied on producing bulk commodities for export - whether it was in primary agriculture, forestry, oil or mining.

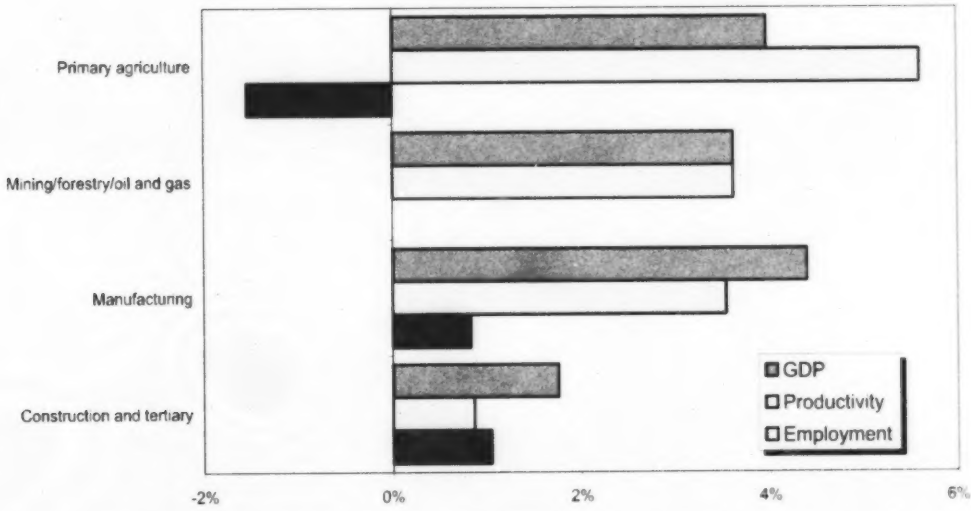
The manufacturing/processing sector has also contributed to the creation of wealth and employment in rural Saskatchewan, however, this sector has been traditionally smaller than the other sectors.

Commodity production, whether it is producing crops, cutting trees or mining minerals which used to be a labour intensive and in the case of crop production a high margin industry, is now very capital intensive with low margins. While primary agriculture (crop production) and the resource sectors continue to generate wealth for Saskatchewan, these sectors are generating wealth with less labour.

Figure 1 illustrates this trend and shows average annual growth rates, in terms of gross domestic product (GDP)[2], productivity[3] and employment from 1989 to 1999 for the various sectors of the rural economy.

Figure 1

Average Annual Growth Rates, 1989 to 1999, Rural Saskatchewan



Source: Econex, Sask Trends Monitor, Growing the Rural Economy, Version 2, September 2001 page 8.

[2] GDP is a measure of the value of all goods and services produced in an economy.

[3] Labour productivity is defined as GDP per person employed.

In the primary agriculture sector, both productivity and output (GDP) grew over this period, but employment actually fell. In the resource sector, both productivity and GDP grew, but employment growth was flat. In both the manufacturing/ processing and construction and tertiary sectors, productivity, GDP and employment all grew during this time frame.

The following two sections will describe in more detail the changing nature of the primary agriculture and resource sectors.

Primary Agriculture Sector in Saskatchewan

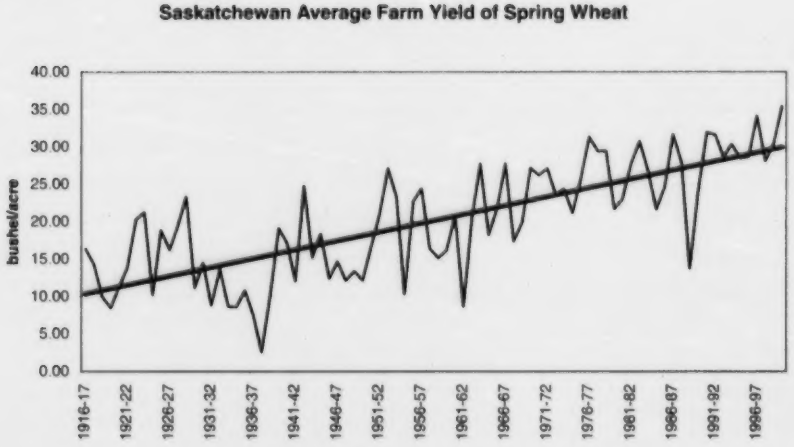
Saskatchewan has a grain/oilseed-based agricultural economy. Over time, approximately 75 per cent of market receipts are from the sale of crops and 25 per cent are from the sale of livestock - although recently livestock has a greater share and in the past grain has occasionally had a much larger share.

This reliance on grain has some important characteristics and implications for farmers and for the rural economy.

The challenges facing the crops sector come from two sources, both of which are heavily influenced by technology. These challenges are the steady decline in commodity prices and the increasing costs of production.

The productivity of Saskatchewan grain farmers has increased steadily over time.

Figure 2

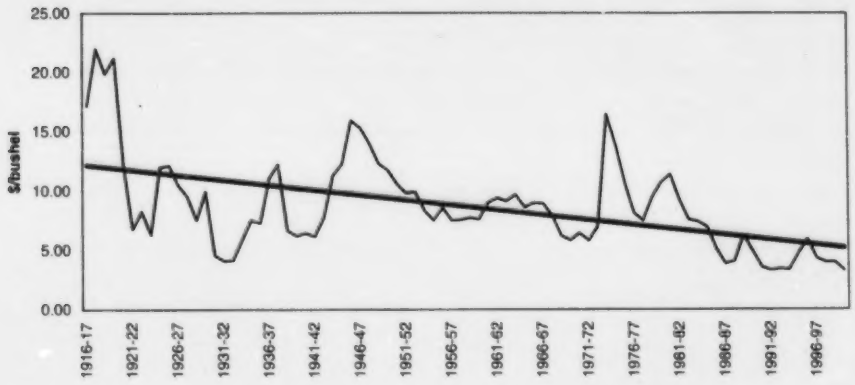


Source: Statistics Canada, 22-002, Field Crop Reporting Series, Various Years

But prices have been declining just as steadily.

Figure 3

Saskatchewan Average Farm Price of Spring Wheat
(1996 Constant $)



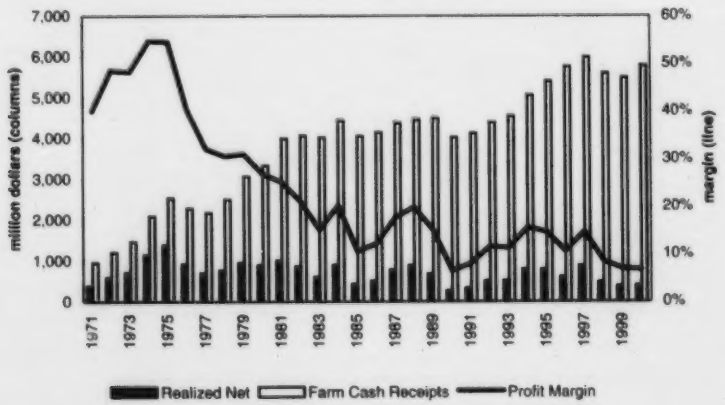
Source: Saskatchewan Agriculture and Food Agricultural Statistics, Various Years, Statistics Canada, 62-001, Prices and Consumer Expenditures

At the same time the cost of production has been rising through higher input use and higher levels of capital use, i.e., increased machinery costs.

As a result of these trends, primary agricultural output continues to increase while margins for farmers continue to shrink. Figure 4 shows that while gross farm receipts in Saskatchewan have increased over time, profit margins have shrunk from over 50 per cent in the mid 1970s to less than 10 per cent in 2000. The drastic decline in margins (the portion of gross receipts left after operating expenses and depreciation) has meant that farms have had to grow in size in order to earn a sufficient income from farming or take on more off-farm work. For example, if the long term margin is 10 per cent and a farmer wishes to earn $40,000 of net income per year, the farmer must generate $400,000 of gross receipts.

Figure 4

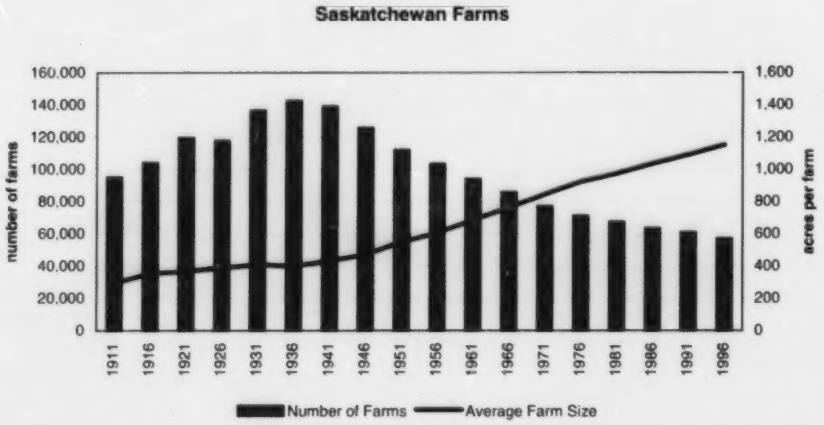
Saskatchewan Farm Margins



Source: Statistics Canada, 21-603E, Agriculture Economic Statistics

Since this situation has persisted for so long, this is reflected in the declining number of farms/increasing farm size over time and in the decline in employment in primary agriculture.

Figure 5



Source: Statistics Canada, Census of Agriculture, Various Years

Figure 6

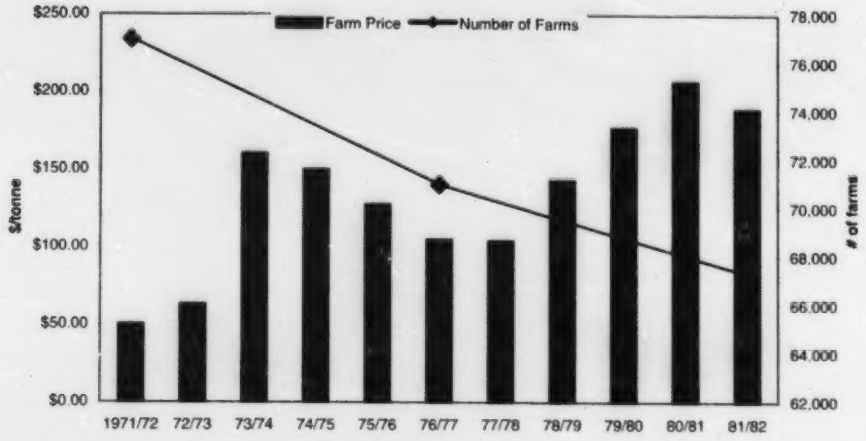
Source: Sask Trends Monitor from Statistics Canada's Labour Force Survey

Some have argued that the decline in farm numbers can be reversed if Saskatchewan farmers received higher prices for their crops. However, even during the 1970s when grain prices were high and margins were above 30 per cent, farm numbers continued to decline (Figure 7).

> *"...$10 wheat will no longer 'save' rural Saskatchewan. The sooner we realize that, the sooner we can move on."*
>
> *Bob Siemans, Fiske*

Figure 7

Saskatchewan Wheat Price and Farm Numbers

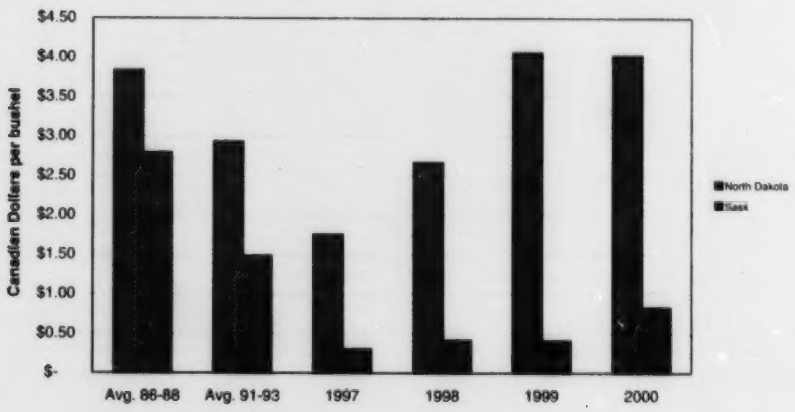


Source: Statistics Canada, Census of Agriculture, 1971, 1976 and 1981.
Saskatchewan Agriculture and Food, Agriculture Statistics, 2000.

Others have argued that if we had the same level of subsidies as our competitors in Europe and the United States this could stop the decline in farm numbers. Figures from North Dakota suggest that the high level of subsidies (Figure 8) has had little or no impact in stopping the decline in farm numbers in North Dakota as their farm numbers are declining in a similar fashion to the decline in Saskatchewan (Figure 9).

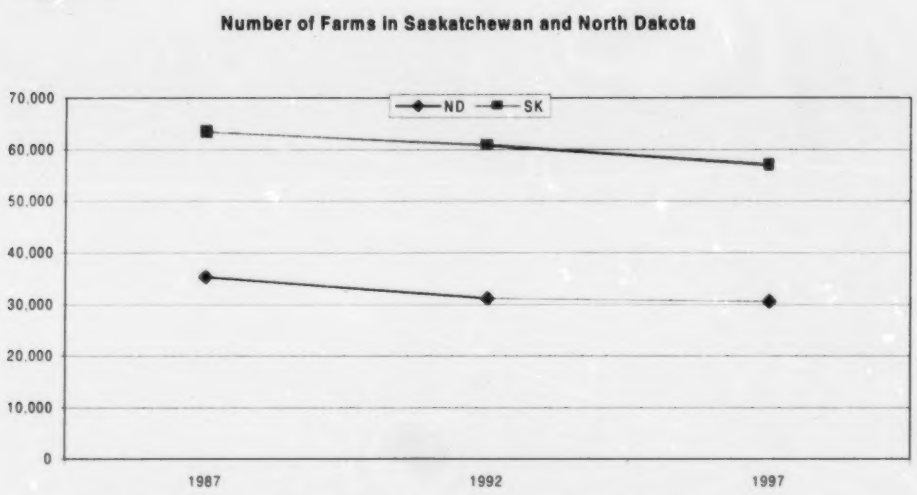
Figure 8

Subsidy Levels in North Dakota and Saskatchewan for Wheat



Source: Saskatchewan Agriculture and Food, Agriculture Statistics 2000
USDA - National Agricultural Statistics Service
Triacom 2000-02-20 (US Canada Historical Exchange Rates)
OECD, Agricultural Policies in OECD Countries, Monitoring and Evaluation, Agriculture and Food, 1999, 2000 and 2001.

Figure 9



Source: Statistics Canada, Census of Agriculture, 1986, 1991 and 1996.
US Department of Commerce, Census of Agriculture, 1987, 1992 and 1997
Notes: 1. The census data for North Dakota is 1987, 1992 and 1997.
2. The census data for Saskatchewan is 1986, 1991 and 1996.

While the high level of subsidies has had little impact on farm numbers in North Dakota, this does not mean that Saskatchewan farmers should continue to face an unfair playing field with respect to the level of subsidy support. Saskatchewan farmers are very competitive and would prefer to compete in world markets without subsidies. However, if our competitors continue to receive subsidies, Saskatchewan needs subsidy support from the federal government in order to help maintain Canada's share of world grain markets.[4]

Resource Sector

The situation of increasing output with less labour is also the trend in the resource sector. The following two figures illustrate what has happened to output and employment in the Saskatchewan mining and oil and gas sector from 1989 to 2000.

Figure 10

Source: Saskatchewan Energy and Mines

[4] The high level of US subsidies may also hurt Saskatchewan's livestock feeding industry, as our feeding industry may not be able to compete against a US feeding industry that uses subsidized feed grains.

Figure 11

Source: Saskatchewan Energy and Mines

While value of output has almost tripled over this period, employment only increased by 38 per cent.

The same general trend is also occurring in the forestry industry. For example, new mechanical tree harvesting technology introduced into the Saskatchewan forest industry over the last 15 years now allows tree harvesters to cut the same number of trees as the traditional manual method with about one-third of the labour.[5]

There is a strong consensus of those involved in rural development policy that the trends outlined above in the primary agriculture and resource sectors will continue. While primary agriculture (crops sector) and the resource sectors will continue to generate wealth, this wealth generation will occur with fewer and larger farms[6] and with little or no employment growth.

Impact on the Rural Economy

The service (tertiary) and construction sector is by far the largest employer in rural Saskatchewan[7], however, without the other sectors, primary agriculture, resource and manufacturing/processing, there is little need for the service and construction sector. In other words, this sector mainly exists to provide goods and services to the three sectors that drive the economy.[8] (Although tourism is in the service sector, it could be considered an economic driver as it does not depend on other sectors for its existence, and creates spin-off employment within the service and construction sector. Presently tourism is the fourth largest industry in Saskatchewan.)

As employment falls in the sectors that drive the economy (in particular the primary agriculture sector), there is less need for services, especially for those services that are very people focussed such as restaurant, accounting, legal profession, education, etc.

This spiralling effect of falling employment, in the sectors that drive the economy which then feeds upon the service and construction sector, results in fewer employment opportunities in rural Saskatchewan. The lack of employment prospects means that people, and especially the young, have

[5] This information comes from Ron Berezowsky, Manager Forest Operations, Forest Ecosystems Branch, Saskatchewan Environment and Resource Management. He interviewed over 100 small businesses using the traditional manual harvesting system and the mechanical harvesting system.

[6] In some jurisdictions, the number of small farms is increasing where there are off-farm employment opportunities. ACRE believes that the livestock sector can create both wealth and employment.

[7] See the section on "Future of Rural Saskatchewan: What ACRE has Found Through Their Work" for a more detailed description of the rural economy.

[8] Providing Internet services to other jurisdictions could also be considered an economic driver even though it is in the service sector.

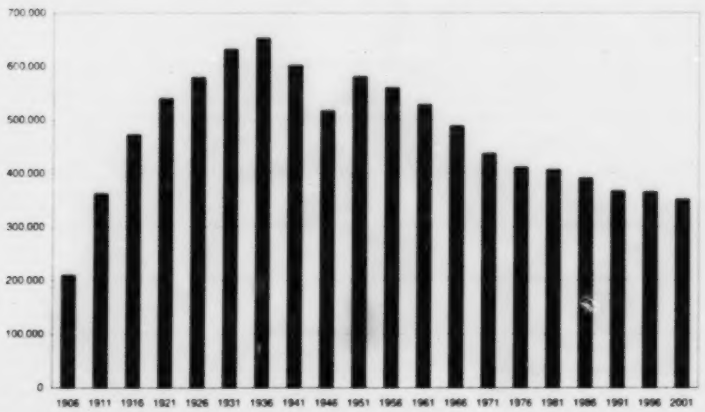
been leaving rural Saskatchewan to seek employment in larger centres or in other provinces.

The out migration from rural Saskatchewan is reflected in the steady decline in the rural population over time.

The situation facing rural Saskatchewan is not unique and is happening in other places in the industrialized world. For example, the rural population in North Dakota has also declined over time as illustrated in Figure 13.

Figure 12

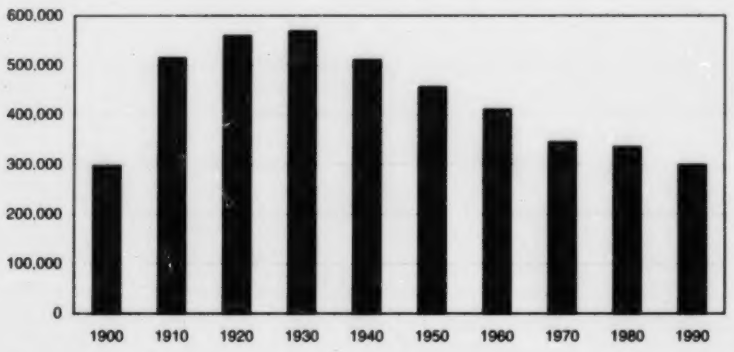
Saskatchewan Rural Population



Source: Statistics Canada, Census of Population, Various Years

Figure 13

North Dakota Rural Population 1900 to 1990

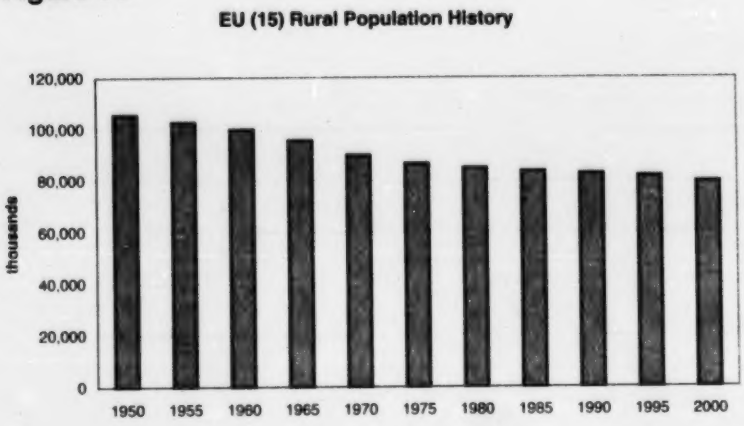


Source: US Census Bureau, Urban and Rural Population: 1900 to 1990.

The same trend of declining rural population has also occurred in the European Union despite the extraordinary subsidies that their farmers have received since the Second World War, as illustrated in Figure 14.

It is clear that if the current trends continue, rural Saskatchewan will reach a point where there won't be the critical mass of people needed to sustain a rural economy.

Figure 14



Source: United Nations, Food and Agriculture Organization, Agriculture Statistics

A recent paper from Jack Stabler and Rose Olfert clearly articulates what will happen if the current decline in rural Saskatchewan continues.

"Because the presence of farm families helps support the public and private service and trade functions in rural communities, a smaller farm population would mean smaller markets. Fewer local trade and service demand thresholds would be satisfied and off-farm jobs would seriously decrease. It would become more difficult to recruit a local labour force for a potential new manufacturing plant as population densities thinned. Rural community decline would continue, and probably accelerate. The cost of this type of adjustment would be borne by individual farmers who sold their fixed assets at depreciated prices, by business people in small communities where profits declined (or businesses failed), and by provincial taxpayers as undepreciated infrastructure became redundant."[9]

"I have a real concern that in our area we have lost the critical mass of population required to maintain a viable community...If rural revitalization is to occur it better begin today."

Duane L. Filson, Woodrow

The concern over the future viability of rural Saskatchewan and the trends suggesting that the decline in rural Saskatchewan would continue, prompted the provincial government to establish the Action Committee on the Rural Economy (ACRE).

[9] Stabler, Jack and Rose Olfert, Developing the Rural Economy - Planning for Change, prepared for PFRA, no date, page 7.

III PURPOSE AND OBJECTIVES OF ACRE[10]

ACRE was established in September 2000, fulfilling a promise made in the December 1999 Throne Speech. ACRE consisted of forty-three representatives involved in rural development, who were committed to working with rural interest groups, producer associations, the co-operative sector, agribusiness, government, universities and other relevant stakeholder groups to identify opportunities for government action to strengthen the rural economy.

Members of ACRE represented all aspects of the rural economy and included farmers, people from tourism, manufacturers, people from the oil and mining industries, representatives from community and economic development authorities and local governments. Virtually all producers of agricultural commodities were represented as well as individuals from financial institutions, youth and women's organizations, the co-operative sector, unions, Chambers of Commerce, transportation, First Nations and the Federal Government. The education and health fields, retail sector, food processing and the grain handling industry were also represented.[11]

Mandate

The mandate of ACRE was broad and had the following objectives:

- Act as a catalyst for exploring and generating innovative ideas for the government and for the industry that will address the challenges and the opportunities for sustainable economic development that may emerge from the changes occurring in rural Saskatchewan.
- Provide advice and recommendations to government on possible strategies, programs and services which will:
  - enhance the opportunity for sustainable rural economic development;
  - increase the competitiveness of Saskatchewan products both internationally and domestically;
  - provide a framework to guide Saskatchewan Agriculture and Food's mission; and
  - reflect Saskatchewan's commitment to co-operation, community and fiscal responsibility.

The mandate of ACRE did not include developing or analysing farm safety net programs, as there were other on-going provincial processes, such as the Farm Support Review Committee, that were examining these issues.

Guiding Principles

ACRE felt that they should be guided by a number of principles as they proceeded through their work. At their first meeting ACRE developed the following principles.

All proposals and recommendations need to consider these values:

1. They must be environmentally acceptable.
2. They must be socially acceptable.
3. They must be economically viable.
4. They must be sustainable in the long run.

Structure of ACRE

Early on in the ACRE process, it was clear that analysing the economy of rural Saskatchewan and presenting options for enhancing rural economic development was a major undertaking. To facilitate the process, eight subcommittees were established to analyse the various aspects of the rural economy. Five subcommittees were set up to examine the various economic sectors in rural Saskatchewan. The sectors were:

- Agriculture
- Agri-value
- Resources
- Rural Manufacturing and Construction
- Rural Service

[10] For the purposes of ACRE, rural Saskatchewan was defined as the area south of the tree line and excluding the Census Metropolitan Areas of Regina and Saskatoon.

[11] The members of ACRE and the organizations or groups they represent are found in Appendix 1.

Two subcommittees looked at rural communities (Community in Evolution) and farms (Farm Income and Farm Structure) as these are critical social and structural elements in rural Saskatchewan. The eighth subcommittee (Tools for Economic Development) was set up to look at various models and tools for rural revitalization.

During the latter stages of their work, ACRE felt that two issues, transportation and the grains and oilseeds sector, needed further and more in-depth analysis. ACRE, therefore, established two subcommittees to deal with these issues.

An executive committee was established to act as co-ordinating body and to facilitate the ACRE process. The committee consisted of the ACRE Co-Chairs, Audrey Horkoff and the Honourable Clay Serby, Deputy Premier, Minister of Agriculture and Food and Minister Responsible for Rural Revitalization, and the Chairs of the Sub committees.

ACRE Vision

At the beginning of its deliberations, ACRE felt a vision statement was necessary to guide the work of ACRE. ACRE's vision speaks to the determination of making rural Saskatchewan vibrant where individuals, communities and businesses are proud and prosperous and support a robust rural economy. It is a vision that ACRE believes will be a call to action to halt the crisis situation in which rural Saskatchewan finds itself: where out-migration has resulted in families, particularly the youth, moving to urban centres and other regions of the country to find opportunity.

ACRE VISION STATEMENT

Rural Saskatchewan - proud communities that welcome and embrace change. Working together as responsible stewards of the environment, we have healthy and diverse rural communities where people of all ages choose to live and work. A network of successful farms, communities and business enterprises is the foundation of our strong rural economy. We offer a competitive business environment that ensures our continued prosperity.

Consulting with Rural Residents

Consulting with rural residents and seeking their input was a very important piece in the ACRE process. ACRE advertised in all of the rural weeklies in the winter of 2000/2001 and asked rural residents for their views. A web page was also set up to seek input from rural residents who wished to respond through the Internet.

ACRE received submissions (written, e-mails, phone calls) from people on a broad range of rural Saskatchewan issues. These submissions were provided to each of the subcommittees for consideration in their work. Each subcommittee also set up their own consultation and research process, which included meetings with various individuals and groups and going through intensive analysis to understand their sectors.

The consultation and research processes included:

- A profile of rural Saskatchewan on a regional basis,
- Meetings with industry associations,
- A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis questionnaire sent to various groups and individuals including most town and municipal councils,
- Meetings with rural Saskatchewan service providers, including government departments and Crown corporations,
- A profile of rural Saskatchewan on a community basis,
- Meetings with a large number of processors and manufacturers, both in the province and across Canada,
- A meeting with the Acting Irish Ambassador to discuss his country's rural success story,
- A "Senate" hearing format for meeting with major agricultural organizations,
- Many meetings with local economic development organizations and individuals, and
- A significant amount of research on all aspects of the rural economy and communities.

Interim Recommendations

Early on in the ACRE process, it became clear that some issues could not wait for the final report, thus in January 2001, ACRE members approved six interim recommendations which were forwarded to the provincial government. At its November 9, 2001 meeting, ACRE felt that the ethanol issue also needed to be addressed quickly and passed an interim recommendation which was sent to the provincial government. Recommendation number seven addresses the ethanol issue. The recommendations and the government response were as follows:

1. Access to Capital

That government should improve access to capital funding by:

- Establishing an Agriculture Venture Capital Fund aimed at stimulating new capital investment in large farm related and value-added agriculture;
- Establishing an Enterprise Investment Fund that would enable equity investment into new expanded agri-business by smaller groups of interested investors in a local community;
- Establishing a Feedlot Loan Guarantee for the feedlot industry, similar to the Livestock Loan Guarantee Program; and
- Investigating the development of an Adjustment/Transition Rural Development Fund aimed at smaller on-farm diversification businesses that could assist with generational transfers and rural development.

> *"Value added production facilities in grains, livestock and forestry must be promoted, as we are substantially behind other provinces in these areas."*
>
> *A.C. Roth, Christopher Lake*

Government Response to Date

- Prairie Ventures Fund created - a $60 million venture capital fund established by 18 Saskatchewan Credit Unions, Prairie Financial Management and Crown Investments Corporation of Saskatchewan (CIC) to invest in Saskatchewan businesses.
- Economic and Co-operative Development (ECD) is assessing the need to create a "community investment program."
- Saskatchewan Agriculture and Food (SAF) is developing a proposal to expand the existing Livestock Loan Guarantee Program to include an inventory financing program option under the cattle feeder option.

2. Rural Skills Development Program

That the provincial government, in co-operation with the federal government, place a priority on establishing a skills development program designed to help producers to remain in rural Saskatchewan by:

- Assisting producers in improving their farm management skills;
- Assisting producers in adjusting their enterprise into new agricultural opportunity areas;
- Assisting producers by improving their opportunities for off-farm employment; and
- Assisting producers to develop the skills necessary for full-time employment should they choose to exit farming.

Government Response to Date

- Post-Secondary Education and Skills Training (PSEST) has initiated the Saskatchewan Older Worker in Agriculture Pilot Project to support farmers who are experiencing financial difficulties on the family farm. It aims to assist farmers to deal more effectively with a transition to off-farm employment or to a diversified farm-based business operation. This program is intended to assist farmers to remain in their home communities.
- PSEST has increased access to education and training opportunities to people in rural Saskatchewan through Technology Enhanced Learning (TEL) initiatives. Through TEL, people in rural Saskatchewan can expect an increased range and diversity of courses and programs available at a distance and more opportunities to develop technical skills required by today's labour market.

- SAF is developing the Farm Family Opportunities Initiative to assist in the adjustment and evolution of Saskatchewan's farm structure to an ongoing viable state by helping farm families to identify and pursue opportunities in three areas: expand and/or diversify the existing family farm, enhance family income through opportunities in off-farm employment, pursue non-farm interests and create new opportunities.

3. <u>Approval Process Guide for Rural Development Projects</u>

That the Government of Saskatchewan facilitate rural development by implementing:

- An ongoing regulatory review to assess the appropriateness and effectiveness of all regulations;
- A timely process to examine specific regulatory issues raised by those involved in industry;
- A mechanism to guide proponents through the approval process; and
- An ombudsman to serve as an independent, third party adjudicator of disputes with agriculture and agri-food.

All levels of government will commit to clear standards of accountability for development projects.

> *"If you people want to develop tourism potential, you should help proponents overcome red tape, not design impossible business hurdles."*
>
> *Doug Elasser, Togo*

Government Response to Date

- ECD continues to lead government's regulatory reform initiative. This initiative is mandated to review and reduce government regulations and red tape from 1996 levels by 25 per cent by 2006. Ongoing efforts are being made to pursue and address red tape and paper burden issues that affect small and medium sized businesses.
- SAF has drafted tri-provincial documents focussed on standardizing and detailing the engineering requirements necessary to make application for new intensive livestock operations (ILOs) on the prairies.
- SAF has initiated/completed the following:
  - Amended The Domestic Game Farm Animal Regulations to implement a mandatory Chronic Wasting Disease (CWD) surveillance program.
  - Amended The Animal Custom Care Regulations to provide a better process for custom feeders to recover fees and charges that are in default.
  - Amended The Animal Products Act, as requested by industry, to better define an arbitration process for directing the proceeds of sales of disputed animals.
  - Drafted amendments to The Livestock Transportation Act to provide greater incentives for proper transportation of animals.
  - Put forward amendments to The Livestock Inspection Regulations, as requested by industry, to increase livestock inspection fees.
  - Reviewed The Agricultural Implements Act with a view to amendments that harmonize with other provinces, as requested by implement dealers and distributors.
- ECD and Energy and Mines have developed materials that assist the petroleum industry with the provincial regulatory process for oil and gas well drilling and seismic activity. The documents have been placed on ECD's website, which is linked to the websites of the departments involved in regulating the upstream oil and gas industry in Saskatchewan, as well as the website of the Canadian Association of Petroleum Producers.
- Municipal Affairs and Housing is currently reviewing and updating The Planning and Development Act, 1983 to reflect today's standards so that planning legislation and regulations will better reflect the current environment.

4. Communication Infrastructure

That the federal and provincial governments take necessary actions, including increased funding, to provide universal, affordable access to high speed Internet and cell phone coverage to all residents throughout Saskatchewan.

Government Response to Date

- The Government of Saskatchewan, through ECD, has submitted a proposal to Industry Canada to bring high-speed Internet to 95 per cent of the population in Saskatchewan. The request is for $40M and it will supplement the $152.8M cost. If this proceeds, this $40M will help ensure that by 2004 approximately 95 per cent of all Saskatchewan residents will have access to high-speed Internet.
- Continued implementation of Community Net. The six-year, $70.9M first phase of Community Net, ensures access to high-speed Internet for health, education, government offices, and library facilities throughout the province. It has also made it possible for SaskTel to expand commercial high-speed services from eight communities to 46 communities.
- Saskatchewan continues to explore the viability of new satellite equipment to enhance broadband delivery to those few remaining communities outside the boundaries of traditional technologies. Trials in new satellite delivery will begin in January 2002.

5. Immigration Policy

That the Government of Saskatchewan should devote more resources to the immigration file. Among the areas that the government should concentrate on include the following:

- Ensure that the current Provincial Nominee Program (PNP) is fully utilized with a more aggressive marketing approach;
- Make the PNP a permanent agreement and negotiate with the federal government to increase the number of nominees (as the province feels necessary) under a future PNP;
- Ensure that the needs of the agricultural and rural sectors be taken into account as the province considers broadening the scope of skills it will consider under the PNP.

> *"'More people' is the best tool to increase wealth in rural areas. Many European farmers would like to start a new life in Canada."*
>
> *Stefan Graner, e-mail*

It is recommended that the Government of Saskatchewan discuss with the federal government a Federal/Saskatchewan agreement on migrant workers similar to agreements with other provinces.

Government Response to Date

- The government has made a commitment to immigration through the establishment of the Immigration Branch in Intergovernmental and Aboriginal Affairs (IAA). The branch will be staffed by 12 individuals focussed on three areas: economic immigration, settlement and integration and accreditation.
- IAA has been working on expanding the mandate and resources of the PNP including:
  - Renaming the PNP to Saskatchewan Immigrant Nomination Program (SINP) to reflect identified labour market needs and provide more flexible definitions of skilled workers.
  - Consulting with businesses, stakeholders in health and agriculture sectors, public sector employers on labour market shortages.
  - Developing domestic and foreign marketing strategies for SINP.
  - Liaising with Saskatchewan companies to recruit and locate skilled workers.
  - Ongoing assistance to potential business immigrants or SINP candidates.

- The province has extended its agreement with the federal government on PNP to September 2002. The agreement provides an additional 150 nominees for a total of 300. The province intends to negotiate a multi-year agreement following September 2002.
- The province added a new category (farm owner/operator) under the PNP.

6. **Education/Publicity Program on Rural Saskatchewan Successes and Competitive Position**

   That the Government of Saskatchewan make a commitment to a major public education program aimed specifically at Saskatchewan that emphasizes our rural strengths and resiliency and the facts about our competitiveness with other provinces - to be contracted through a third party.

Government Response to Date

- ECD initiated the "Saskatchewan Dream" campaign that attempts to focus on initiatives and activities that profile Saskatchewan positively.
- The government, primarily through ECD and the Rural Revitalization Office, actively participated in recruiting and organizing the Canadian Rural Revitalization Foundation's annual fall conference, held in Muenster. The conference highlighted numerous successful rural-based businesses and attracted approximately 300 participants.
- SAF is preparing to sponsor a series of radio programs and television vignettes on the New Agriculture that will speak to rural strengths and success through changing approaches.
- ECD commissioned KPMG to update a 1999 competitiveness analysis for Saskatchewan.
- ECD is working with the Saskatchewan Chamber of Commerce and Regional Economic Development Authorities to sponsor local Action Saskatchewan workshops in rural communities and smaller cities.
- "Only in Saskatchewan" contest sponsored by ECD - youth are preparing websites, essays and artwork telling about their success stories or dreams of achieving success in Saskatchewan. Many of the entries received so far are rural-based.

7. **Ethanol and Bio-blended Fuels**

   That the ACRE committee urges the provincial government to take substantive action, including initiating the fuel tax rebate and other positive financial measures, to support the development of the ethanol and biofuel industry, that would closely align Saskatchewan with other provinces in Canada. In addition, the Saskatchewan government should work with other provincial jurisdictions in western Canada to develop a co-ordinated marketing approach to encourage gas wholesalers and retailers to make ethanol and bio-blended fuels readily available to all residents. Further, that the provincial government mandate increasing levels of ethanol and biofuels content within defined timelines co-ordinated with the production capacity of Saskatchewan.

Government Response to Date

- This recommendation was passed on to the Premier for his consideration, who forwarded it on to the Minister responsible for ethanol, the Honourable Andrew Thompson, Minister of Energy and Mines. The government is currently reviewing and assessing the recommendation.

Submitting of Subcommittee Reports

All of the eight subcommittees submitted their reports in 2001. The two other subcommittees, Transportation and Grains and Oilseeds are scheduled to complete their work and submit their final reports around March 31, 2001. Each of the subcommittee reports were accepted in principle by the whole ACRE Committee, however, the recommendations from the subcommittees were dealt with in a different fashion as explained below. The full reports of the eight subcommittees are in the Supplement to the Final Report. A brief summary of the eight subcommittee reports can be found in section IV.

Examination of the Rural Economy

Upon review of the subcommittee reports, ACRE felt that a broad economic overview was needed to provide an effective strategy for rural development. ACRE contracted an independent consultant to carry out this analysis. This analysis was completed during the summer of 2001. A summary of the report is found in section IV; the full report is printed in the Supplement to the Final Report.

Recommendations

Each of the subcommittees made a number of recommendations that dealt with their particular area. In total 156 recommendations were made by the subcommittees. Due to the large number and the duplication of some recommendations, ACRE felt that they should be separated into "priority" and "other" categories. Within the priority category there were a number of recommendations that were very similar, and these were combined. The individual recommendations were then brought before the whole ACRE committee and voted upon; those receiving at least two-thirds support were adopted by ACRE.

The recommendations placed into the "other" category should not infer that they are not important and will be ignored. It is ACRE's view that these recommendations, after they have been passed by ACRE, should be reviewed and implemented by government once the priority recommendations have been dealt with. The recommendations can be found in section V of the report.

Youth Forum

Throughout the ACRE process there was a strong belief that the youth of rural Saskatchewan were a key component in revitalizing rural Saskatchewan. ACRE, therefore, felt that a consultation process should specifically be undertaken with youth and that this could be accomplished through a youth forum.

The Youth Forum was held in Saskatoon on February 15, 16 and 17, 2002 with 60 individuals in attendance. The purpose of the Forum was to engage a broad discussion on rural issues and recommendations from the youth perspective and to provide feedback to the ACRE process and the recommendations proposed by ACRE.

The Forum identified a number of key areas that need to be addressed in order to revitalize rural Saskatchewan. These areas are very similar to the areas suggested by ACRE and include: facilitating a change in attitude, a need to look at where we emphasize skills development and the need to ensure that youth have the opportunity to access capital. Promoting the better use of Saskatchewan resources, especially our agricultural resources, our clean environment and making Saskatchewan an attractive place to live were also identified as important areas by the Forum.

The Forum participants felt that this exercise was so successful, that an annual Youth Forum should be held to discuss rural issues. Participants moreover felt that a web site should be set up as a "gathering place" for youth to discuss rural issues and network.

The full report of the Youth Forum is in the Supplementary Report.

Reporting Back and the Opportunities Conference

In February 2002, 12 public meetings were held across the province to report back to rural Saskatchewan on what ACRE had found through their work. (The dates and locations of the meetings can be found in Appendix 2.) The reporting back process was not meant to be a consultation process as ACRE had consulted with rural residents during their deliberations. However, the members of ACRE felt that it was important to convey to rural Saskatchewan what ACRE had accomplished since their inception in September 2000 and receive and hear their responses. A summary of the meetings is in the Supplementary Report.

In response to ACRE and to build upon the opportunities ACRE found during the course of their work, Saskatchewan Agriculture and Food hosted an "Opportunities Conference" in Saskatoon on March 20 and 21, 2002. The purpose of the conference was to publicize the economic development opportunities and the success stories that have occurred in rural Saskatchewan. ACRE believes there are real opportunities in rural Saskatchewan and an "Opportunities Conference" would build upon this belief.

IV FUTURE OF RURAL SASKATCHEWAN: WHAT ACRE HAS FOUND THROUGH ITS WORK

The majority of the work of ACRE was completed by the subcommittees. As indicated earlier, the full report of each subcommittee is in the Supplementary Report . However, below is a short summary of each report.

> *"In anticipation of changes in the Crow transportation subsidy, there were a number of key community-based agri-value ventures in the mid-1990s including Canadian Select Grains (special crops processing) and River Ridge Cattle Corporation (5,000 head feedlot). New agribusiness ventures such as G.H. Schweitzer Enterprises Ltd. (spice production & marketing) grew quickly and the adaptation to a broad range of conventional and non-conventional pulse crops expanded."*
>
> *Eston District*

Subcommittee Reports

1. Agriculture Subcommittee Report

Primary agriculture is carried out on over 65 million acres in Saskatchewan of which 45 million acres are cultivated for annual crop production and approximately 20 million acres are used for forages and livestock production. Approximately 45 per cent of Canada's arable land base is located in Saskatchewan.

Saskatchewan's semi-arid climate, cool nights, relatively low heat units, cold winters and highly variable weather patterns dictate the range of crops that can be grown. Adapted crops must be early maturing and drought tolerant. Due to our semi-arid climate, Saskatchewan has a competitive advantage in crop production that is higher quality, as opposed to low quality cost/large quantity production.

Saskatchewan is a competitive producer of livestock. Feed costs are very competitive even with long winter-feeding periods. Confinement operations can do well in our climate with heating costs being more than offset by lower cooling costs compared to those in warmer weather production areas. There is a growing specialized livestock industry. Our large agricultural acreage and low population density provides opportunity for location of intensive livestock operations that do not exist in other jurisdictions.

The primary agriculture industry in Saskatchewan is critical to the health of the Saskatchewan economy. On average, it accounts for nine per cent of the province's GDP, with 10 per cent of the labour force employed in primary agriculture, providing over $4 billion of exports annually, which represents approximately 36 per cent of Canada's agricultural exports.

Farmers are diversifying their production. In part, this is due to the low prices of some of the major commodities, like wheat, that are heavily subsidized in world markets. In part, it is due to the loss of the Crow Benefit that removed some $300 million in freight assistance for Saskatchewan farmers and more than doubled the freight costs paid by some producers. The extent to which crop diversification can occur is limited by the adaptation of specific crops to regional climatic conditions and crop rotational requirements.

The long-term trend of declining farm numbers and increasing farm size will continue. The necessity to capture economies of scale, the increasing cost of equipment and commodity transportation, an aging farm population and periods of depressed commodity prices are all factors driving this process. It was predicted that the loss of the Crow Benefit would result in an increase in livestock production and more value-added processing. Such change will be a long-term process.

Saskatchewan, which exports at least 70 per cent of its agricultural production on a value basis, is heavily reliant on global trade and all factors influencing global markets. Trade distorting practices, subsidies, trade barriers in other exporting jurisdictions, directly impact the economic viability of Saskatchewan farmers. This is especially true for

the major commodities produced and exported by some of the major agricultural exporting countries around the world. The outcome of future World Trade Organization (WTO) negotiations will have a major impact on our industry.

The recommendations proposed by this subcommittee were based on the notion that they will promote an evolution in the province towards more agricultural diversification, and more small and large scale processing. As per the mandate of ACRE, the cornerstone of rural revitalization in Saskatchewan must be sustainability. Sustainable primary agriculture in Saskatchewan will create: best-case harmony between food production and the wider environment; rural communities that are in harmony with their working environments; and labor standards and working conditions that will be attractive to those looking for long term employment and a place to raise a family. In order to manage change and retake control of our economy, the people of Saskatchewan will need to review their skills, attitudes and beliefs.

2. Agri-Value Subcommittee Report

One of the fastest growing sectors in the global agriculture industry is the agri-value sector. And nowhere is this growth more evident than in Saskatchewan. "In the past three years (1993 - 1996), the prairie provinces have led the nation in terms of food processing growth by a considerable margin. Statistics show that Saskatchewan's food processing industry grew at an incredible 32% from 1993 to 1996. This is greater than Alberta (25%), Manitoba (23%) and Ontario (17%)."[12]

> *"As a pharmacist, I see an opportunity for Sask. and I want the opportunity to happen here in the south-east Sask...My idea is to develop manufacturing of specialty products especially galenicals" (a drug produced directly from animal or vegetable tissue).*
>
> *Betty Dolman, Indian Head*

This trend is expected to continue.[13] Consumer incomes continue to grow and with that comes increased demand for processed foods.

The non-food processing industry is also growing, albeit at lower levels. With Saskatchewan's abundant raw materials, many feel that non-food processing of agri-fibre, ethanol and functional foods/nutraceuticals provides a greater growth opportunity for Saskatchewan. For instance, it is known that global pressure on wood fibre continues to grow. "In 1960, the per capita forest area was 1.17 ha; by the year 2010, it will have dropped to 0.47 ha."[14] Logically, industries that depend on wood products will need to find alternative sources like grain straw.

There are many reasons for this growth, including new technology, increased consumer buying power, global trade and economics. While some may argue that processed food and non-food products is a fad, most agree that the growth will be sustained for the long term and that it is not a fad but a new reality in the global marketplace.

Saskatchewan will always have a large primary agriculture sector. As this sector continues to struggle against globalization, it is increasingly important to involve primary producers and rural communities in the value chain. Primary agriculture forms the backbone for many value-added businesses, and without a healthy primary sector, the entire agri-food industry will struggle.

There is a great opportunity in Saskatchewan to process our raw products. Our natural and geographic advantages provide this province with an abundant supply of relatively inexpensive raw materials, low cost land and competitive utility rates. But there are issues such as transportation and the cost of distribution that challenge our agri-value industry. There are also challenges like taxation, labour/human resources and infrastructure that inhibit a potential boom in our processing sector.

The recommendations developed by this subcommittee were designed to facilitate growth in Saskatchewan's value-added sector. These

[12] Canada West Foundation Study, Renewal of Food Processing in Western Canada, Agri-Food West, June 1997, page 2.

[13] Although this growth is impressive, this growth is occurring from a small base.

[14] United Nations FAO, 1998

recommendations were developed after consultations with current and potential agri-businesses and others that have first hand experience of the policy, regulatory and demographic issues that enhance or inhibit our processing industry.

3. Resources Subcommittee Report

The resource sector contributes 12-16 per cent of the provincial GDP and has seen average annual growth of 3.1 per cent from 1984 through 1998 and represents 3-5 per cent of rural employment.

In viewing the resource section, the subcommittee identified six resource areas on which to focus its attention:

- Oil and gas developments
- Mining developments
- Forestry (on Crown lands) developments
- Power generation developments
- Water developments
- Land as a resource

The subcommittee concluded that three sectors – oil and gas, mining and power generation – should be viewed as mature industries while the other two – forestry and water – fall more into the category of emerging or developing industries.

"The NorSask employees made a bold offer to purchase the lumber mill together with the Meadow Lake Tribal Council (MLTC) in 1988 and their successful initiative made all the difference. Since then Millar Western together with MLTC and the Province of Saskatchewan built the world's first successful zero-liquid-effluent-discharge pulp mill.

Currently the BC-based Tolko is in the final stages of establishing an Oriented Strandboard (OBS) facility in co-ownership with MLTC. This will be operational in 2003 and employ another 260 jobs in the region."

Meadow Lake District

In considering opportunities and barriers for each of these sectors, it became apparent there were a number of overriding themes that applied to virtually every sector - employment issues, land access and investment climate.

The subcommittee developed its report based on the premise that any recommendations would have to enhance the continuing contribution of the resource sector to the vitality of the rural economy. Specifically they would have to:

- provide long-term employment opportunities;
- encourage sustainable resource use;
- economically exploit regional/provincial advantages; and
- encourage and reward the use of local capital in fostering resource development.

Recommendations were made in the areas of oil and gas, mining, forestry, Crown land, land, water and electricity. In examining each area, the subcommittee approach included: an examination of the contribution of each resource to the rural economy, with a view of what changes were likely to happen over the next 10 to 15 years; how additional value-added could be captured; identification of constraints and opportunities; and concluded with the identification of issues that needed to be addressed to realize the full opportunity from the resource. Although the recommendations were specific for each resource, there were central themes that evolved:

- creating a competitive environment through fair taxation with clear and simple development rules;
- the need for provincial support in research and development and in maintaining information;
- the need for education and training programs; and
- the need for targeted and planned investment to enhance the benefits of resource use to rural Saskatchewan.

4. Rural Manufacturing and Construction Subcommittee Report

In 1999, the construction industry contributed just under $1.2 billion to the province's GDP, six per cent of the total. Relative to the overall economy, the construction industry in Saskatchewan is larger than in Canada as a whole but, until recently, was in a prolonged slump. In 1998, for example, the sector accounted for 5.6 per cent of Canada's GDP compared with 6.2 per cent in Saskatchewan.

There were 5,430 businesses in the construction industry as of December 1998. Forty per cent of these were single-person firms and three-quarters have fewer than five employees. Five per cent of

the firms had 20 or more employees. Depending on what measure is used there were between 15,750 and 23,500 people employed in the construction industry in 1999.

The manufacturing of metal-based products is wide ranging in Saskatchewan. It includes the manufacture of agricultural machinery products, transportation equipment, mining equipment, industrial and agricultural storage products, oil and gas equipment, industrial power generation products, special service vehicles, lawn and turf equipment, heating and ventilating products and structural steel products for construction and other applications.

> *"Companies like **Capital I Industries**, the Irving family business 12 miles south of town and employing 15 people, won the 2001 APEX Award for the New Product Category in mowing and plough attachments for RM road patrols (graders)."*
>
> *Tisdale District*

The corporations in this industry range from very small shops with less than 10 people to much larger production facilities in excess of 1,500 employees. The industry is divided into two major sub-sectors, the custom fabricators and the discrete product manufacturers.

The custom fabricators provide services (including machining, welding, punching, cutting and forming) to a wide range of industries including mining, oil and gas, construction, forestry, agriculture and other industries.

The discrete product manufacturers in Saskatchewan typically rely on lower margins but higher production levels. Firms in the production industry have a discrete line of products which they service and sell through their established distribution lines.

The agricultural machinery-manufacturing sector in Saskatchewan has evolved over the last 40 years from very modest beginnings, consisting of a number of small entrepreneurial companies having developed a variety of pieces of equipment, to address specific dry land farming needs or problems. These products were relatively basic and unsophisticated. Over time, the number of manufacturers and the product range has expanded. The products have become more sophisticated and have grown larger in size and value.

A good portion of the agricultural machinery manufacturing industry still exists in smaller centres within rural Saskatchewan and has created thousands of jobs for areas of the province where other economic activities do not exist or are not feasible. In 1998, approximately three-quarters of the companies representing one-half the workforce, were located outside the major centres of Saskatoon and Regina. The growth of these companies and increasing sophistication of products and manufacturing processes is creating multi-skilled, high value jobs, which are of great importance to the sustainability of the rural economy of Saskatchewan. In the metal fabrication sector, the situation is the opposite, with most of the companies located in either Saskatoon or Regina.

The recommendations in this report focussed on those areas that were identified through the subcommittee's consultation process as major issue areas for the sector. The results of the consultation process were weighted in favour of the manufacturing sector where the subcommittee members seemed to have the greatest access to information.

5. Rural Service Subcommittee Report

The service sector is a very large component of the rural economy and is a service provider to the other sectors such as primary agriculture, resources and manufacturing. Tourism, a significant part of the service sector, is Saskatchewan's fourth largest industry. However, the potential of the tourism industry in Saskatchewan is not widely recognized by Saskatchewan people and the attitude of Saskatchewan people is an issue at times.

> *"The **Prairie Springs Mineral Spa and Hotel Complex** is in the final stages of approval with the Securities Commission. The total cost is $13 million. There is strong local interest as well as from investors across Canada and the US."*
>
> *Wilkie District*

During the course of their work, the subcommittee came to the realization that the future growth of the service sector would depend in part on maintaining a well developed and affordable infrastructure, which includes: transportation, water and the basic utilities.

The long distances within Saskatchewan and the long distances to markets for many Saskatchewan products means that the efficient movement of passengers and freight depends on an affordable and quality municipal road and provincial highways system.

The drought of 2001 again focussed attention on the importance of water to the economic and social well being of Saskatchewan. It is essential that rural Saskatchewan have access to a high quality water supply in sufficient quantity. Effective waste management practices that protect air quality and water resources are also critical for future development.

The subcommittee believes that SaskEnergy, SaskPower and SaskTel provide relatively high quality and cost-competitive services to rural Saskatchewan. These services are a necessity if finance, insurance and real estate businesses and other professional services are to operate competitively and efficiently in rural Saskatchewan. However, there is a concern that demand charges or similar pricing strategies for electricity and natural gas can be a major disincentive to the operation of cultural and recreational facilities in rural Saskatchewan.

It was recognized that police, firefighting and emergency medical services are essential but are high cost services in rural Saskatchewan due to the sparsity of population and distance. The provision of health care services is critical to rural Saskatchewan as this will determine whether rural Saskatchewan is an attractive place to live.

During the course of their work, the subcommittee heard various complaints that the provincial regulatory process is slow to provide decisions, and slow to resolve conflicts between urban, rural, agricultural and other land uses. Attracting and retaining private sector professional services will be determined by the regulatory/operational conditions in which they have to operate.

A major concern for rural communities is the increasing difficulty in attracting and retaining professionals such as doctors, veterinarians, nurses, teachers and emergency medical technicians. Some communities and organizations have used innovative approaches to address this problem. Several municipalities in the Assiniboia area financed the education of a local student through medical school with a requirement for local service after graduation. The Saskatchewan Medical Association maintains a fund to financially support relief doctors (locums), vacation relief and scholarships.

Education, both K-12 and post-secondary were acknowledged to be of high quality, however, declining rural populations, school enrolments and the configuration of the future system were the major focus of the subcommittee's discussions. Post-secondary education was particularly examined from the perspective of accessibility of education and training opportunities in rural Saskatchewan and ways to educate youth for employment in rural Saskatchewan.

The arts and culture industry plays a prominent role in the intellectual life of rural Saskatchewan. Saskatchewan is seen as a leader in partnerships and volunteerism that support arts and culture. It is also recognized that the rural environment is generally well-suited to the lifestyles and interests of artists.

The recommendations developed by the subcommittee centred on removing constraints and enhancing the service sector's potential in rural Saskatchewan.

6. Farm Income and Farm Structure Subcommittee Report

Saskatchewan is now, and will continue to be, a competitive player in the global food system, but present trends in production and marketing are making it more difficult for farmers to obtain sufficient net returns to remain viable.

Changing technology has allowed producers of commodities around the world to increase productivity, both in terms of per unit output and in terms of being able to manage larger production units resulting in significant increases in output per person involved in the industry. As a result, the

Saskatchewan primary agriculture industry, which is heavily based on larger land based production systems (export grains), is trending towards having fewer and fewer farm families.

Technology has also made the primary agriculture industry much more capital intensive. Producers need capital and expertise to adapt to the new technology that is developing in the industry. Producers also need sound and unbiased information to determine the appropriateness of technology being offered.

The capital-intensive nature of the industry makes intergenerational transfer of the family farm challenging. With many producers nearing retirement age it is important that the industry have mechanisms to help the next generation enter the industry.

> *"The **South Central Hog Group** was formed to look at a community hog venture. They had no previous experience in hog production but were excited about the benefits. South Central Hog Group (Big Sky) employs 45 full-time staff and eight part-time with an annual payroll of $1.3 million. **South Central Hog Group** required three experienced managers who have moved to the community."*
>
> *Ogema District*

The loss of the Crow Benefit has provided many challenges, but also many opportunities for Saskatchewan farm families. Saskatchewan farms have undertaken significant diversification in the crops area over the last decade with grain farmers now growing over 50 different crops (depending on market conditions). Yet, the industry has not fully capitalized on many more opportunity areas that exist; for example:

- livestock (both traditional and non-traditional), pulse crops, fruit crops, certified organic and other identity preserved production, crops used for alternative energy production, participation of the primary sector in value-added processing, life science products (such as fibre and nutraceutical products).

To have sustainable primary production in this province we must:

- protect the natural resource base; prevent the degradation of soil, water, and air quality; and conserve biodiversity;
- ensure a safe and high quality supply of agriculture products;
- safeguard the livelihood and well-being of primary agriculture and agri-food workers and their families; and
- contribute to the economic and social well-being of all Canadians.

Awareness of our impact and reliance on the environment as producers and consumers has triggered the need to examine and respond to a number of issues. Food quality and safety, and environmental stewardship are issues affecting society as a whole and must be addressed with that in mind.

These trends suggest that new and innovative approaches are needed to help farm families adjust to the challenges that lie ahead and end the cycle of recurring farm crisis. The current situation for farm families is broadly variable and there are many unique directions in which individual farm families may take their operations in the future. As such, the actions needed by government and the recommendations of this subcommittee are very diverse in nature.

> *"I think we in Saskatchewan are in a unique position since we are still perceived as being a place with clean air, water and soil. I think we could use this to our advantage by capitalizing on the rapidly growing demand of consumers for clean, pure and unaltered food."*
>
> *Raymond Nergard, Bengough*

Based on the trends identified above, the Farm Income and Farm Structure subcommittee felt that there are three key areas where actions need to occur in order to allow producers to address the challenges they are facing on the farm and to help them capture benefits from the opportunities that exist. These areas are: youth and population; capital; and farm support.

7. Community in Evolution Subcommittee Report

The challenge facing ACRE is grounded in demographic and socio-economic realities. The rural population of Saskatchewan, which was approximately 550,000 persons in 1996 or 55 per cent of the provincial total, has been declining on an almost continuous basis, since the 1950s. This decline follows an historical pattern of young people growing up on farms and in small towns and villages and then leaving for urban areas. If the present trends continue, the rural population of Saskatchewan will continue to decline at a rate of nearly one per cent per year.

The subcommittee focussed its efforts on:

- analysis of issues and trends in rural Saskatchewan;
- development of a picture of what our communities will look like in 10-15 years; and
- development of strategies that will ensure strong, sustainable, vibrant rural communities.

Doug Elliot from Sask Trends Monitor was asked to undertake an in-depth research and analysis on community trends. As well, the subcommittee, in conjunction with the Rural Service subcommittee, conducted an analysis of rural Saskatchewan that identified strengths, weaknesses, opportunities and threats (SWOT). This work formed important background information for the report.

> *"New Generation Coops will open up opportunities to local people and towns and keep profits in local communities."*
>
> *Calven Johnson, Estevan*

The analysis of the trends in rural Saskatchewan suggests that while larger communities in rural Saskatchewan tend to prosper, albeit at the expense of smaller communities in the surrounding area, there is evidence that a number of small communities are not following this trend. Smaller communities in rural Saskatchewan can grow, attract new industries and retain young families and, therefore, population decline is not inevitable.

In developing its future vision for rural Saskatchewan, the subcommittee was of the view that the "status quo" was not an option. They also felt that government needed to change the way it works with rural Saskatchewan. Specifically, the erosion of services must stop as rural Saskatchewan cannot grow and diversify without them. The government must develop a comprehensive long-term rural strategy and action plan, with grassroots involvement in the process. This strategy must include a commitment that community development will be supported in rural Saskatchewan.

The recommendations of the subcommittee are built on rural Saskatchewan's achievements. The members of the subcommittee are firm in the belief that, if implemented, these recommendations will result in communities that are characterized by:

- Diversified economy: processing, tourism, primary agriculture, etc.;
- Diverse population with a positive quality of life;
- Positive, proactive, co-operative, collaborative, regional approach to community development; and
- Sustainable education and health services in the community - the school as the centre of the community.

8. Tools for Economic Development Subcommittee Report

Economic development in rural Saskatchewan has traditionally been focussed on primary resources. Historically, primary agriculture provided the employment and wealth creation opportunities in rural Saskatchewan.

Primary agriculture (crops sector),[15] which used to be a labour intensive and high margin industry, is now a very capital intensive and low margin industry. As a result of this shift, the number of farmers and farms has declined rapidly. The decline in the number of farms and farmers has meant that the number of people necessary to provide support services to the primary agricultural sector has also declined. The declining employment opportunities in the crops sector and its support services has meant that rural people, and especially its youth, have had to leave rural Saskatchewan in order to find employment.

There is a strong consensus among those involved in rural development policy that these trends will continue. While primary agriculture (crops sector) will continue to generate wealth, this wealth generation will occur with fewer and larger farms.

The changes described in the primary agriculture sector have also occurred in other natural resource industries such as forestry and mining that operate in rural areas of Saskatchewan. These industries have become very capital intensive and have been shedding labour.

If there is to be a viable rural Saskatchewan, there needs to be people living and working in rural Saskatchewan. A sufficient population base or a critical mass of people is necessary in order to:

- ensure an adequate labour pool for new business enterprises;
- maintain public services such as schools and hospitals; and
- ensure that the large investment in infrastructure does not become redundant.

Maintaining and increasing the population base in rural Saskatchewan means that there must be sufficient economic activity to create employment opportunities. At a minimum there must be sufficient employment growth in the non-primary agriculture sector to offset the decline in employment in the primary agriculture sector (especially the crops sector).

The creation of a thriving and profitable small business sector[16] is the key element in revitalizing the economic health of rural Saskatchewan. The subcommittee believes that the small business sector will create employment for people in rural Saskatchewan and provide off-farm employment opportunities for farm families. The ability for farm families to access off-farm employment may also mean that a larger number of smaller farms may continue to exist as they will now be able to supplement their farm income with off-farm income.

> *"**Patterson Welding** was a small shop that contracted to fabricate grain legs for the inland terminals and ended up with 12 full-time jobs and state-of-the-art capability in metal fabrication."*
>
> *Tisdale District*

The subcommittee is also of the view that the small business sector is a better fit to match the small labour pool that exists in rural Saskatchewan. Trying to attract large firms with hundreds of employees is unlikely to be very successful in most areas of rural Saskatchewan, because of the lack of a large labour pool.

To help enhance development opportunities the Government of Saskatchewan must develop a regulatory and legislative climate that is conducive to creating a thriving small business sector in rural Saskatchewan. This means that government policy must focus on reducing roadblocks that hinder the establishment of small businesses. The subcommittee also believes that government policy can play a positive role in developing the small business sector.

The private sector has the major role to play in establishing a thriving small business sector. If the proper business climate is established by the province, it is up to private entrepreneurs not government to create the new businesses and opportunities.

[15] The subcommittee believes that there are substantial opportunities in the livestock sector.

[16] The small business sector includes agri-value enterprises located on and off the farm.

General Summary of Subcommittees' Reports

A review of the subcommittee reports suggest there are a number of common themes that run throughout the reports. These include:

1. The status quo is not an option. We cannot continue to do what we are doing if we want to stop the decline of population in rural Saskatchewan.

2. If we wish to stop the decline of population and keep the young people in rural Saskatchewan we need to create jobs in rural Saskatchewan.

3. The creation of jobs will come about by entrepreneurs and local communities with ideas. Through hard work and investment these ideas will translate into profitable businesses which will then create employment for rural residents.

4. There are a large number of opportunities in rural Saskatchewan.

5. The role of government is not to pick winners but to set the proper economic and business climate and remove roadblocks so that Saskatchewan entrepreneurs and communities can take advantage of the opportunities.

Examination of the Rural Economy

In the summer of 2001, ACRE contracted ECONEX Consulting and Sask Trends Monitor, two economic consulting firms to:

- describe the current state of the rural economy in Saskatchewan[17];
- develop a scenario for a growing rural economy, comparing it with the status quo; and
- estimate the impact of several rural economic development initiatives proposed by the ACRE executive.

To fulfill these requirements the consultants used the following methodology:

- The size of the current rural economy is estimated and an aggressive but achievable target for economic growth is set for 20 years in the future.
- Targets are chosen for the four individual sectors:
  - primary agriculture;
  - manufacturing and processing;
  - resources; and
  - construction and tertiary services.
- For each sector, the capital and labour required to reach the target growth rates are estimated.
- The implications for the rural economy - population and employment, for example - are examined.
- Sample projects and development opportunities are examined to illustrate how the target can be achieved.

The full report can be found in the ACRE Final Report Supplement.

Summary of Report

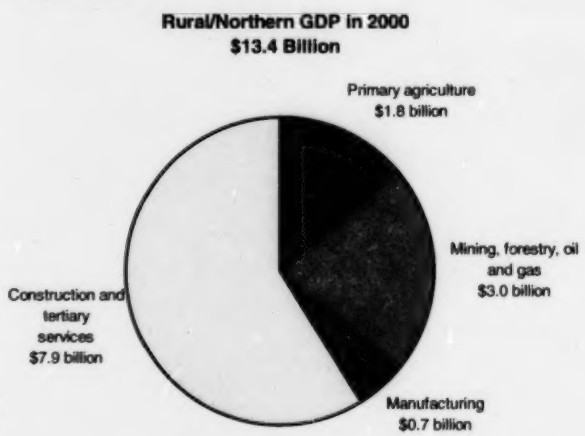
The perception of the rural economy is one of crisis with declining farm numbers, no employment prospects and little opportunity. In many respects this is true, however, the analysis found that contrary to popular opinion, the rural economy is doing quite well from an output perspective. From 1990 to 1999, the rural economy grew by 18 per cent compared to urban growth of 23 per cent. However, this increase in rural output was accomplished with little employment growth, as employment only increased by three per cent. In contrast, employment growth in urban Saskatchewan over this same time period was 11 per cent. If the current trends continue, the size of the rural economy will continue to grow but the employment levels will remain near their current levels.

[17] "Rural" is defined as the part of the province outside the Census Metropolitan Areas of Regina and Saskatoon. Data limitations mean that the far North is also included as a rural area for this analysis. Thus, the area north of the tree line is included as part of rural, although this is not part of ACRE's mandate. In addition, the cities of Moose Jaw and Prince Albert are included as part of rural Saskatchewan, although some people have questioned whether these two cities should be defined as rural. (The decision to include Moose Jaw and Prince Albert was ACRE's and not the authors of the report.) These data limitations are unlikely to have much impact on the agriculture sector, however, it has likely skewed the data for the resource, manufacturing/processing and construction and tertiary sectors. In other words the employment and GDP numbers are likely higher for the resource, manufacturing and construction and tertiary sectors than what they would be if better data was available for rural Saskatchewan.

The following Figure shows the make up of the rural economy. Again, a common perception is that primary agriculture is the dominant sector in rural Saskatchewan, however, the construction and tertiary sector was by far the largest sector in rural Saskatchewan in 2000. This sector was about 59 per cent of the rural economy in that year compared to 14 per cent for primary agriculture and 22 per cent for the resource sector. The manufacturing and processing sector was a relatively small component at only five per cent.

However, as indicated in section II, the construction and tertiary sector is not an economic driver, but mainly exists to provide goods and services to the three economic drivers, primary agriculture, resources and manufacturing/processing. Thus, if the three economic drivers are doing poorly this will be felt by the construction and tertiary sector. Therefore, from an economic policy perspective, it is critical that the focus should concentrate on ensuring that the three sectors that drive the rural economy continue to grow. Growth in the construction and tertiary sectors will then naturally follow although there may be a need to ensure that more of that natural growth occurs in rural Saskatchewan.

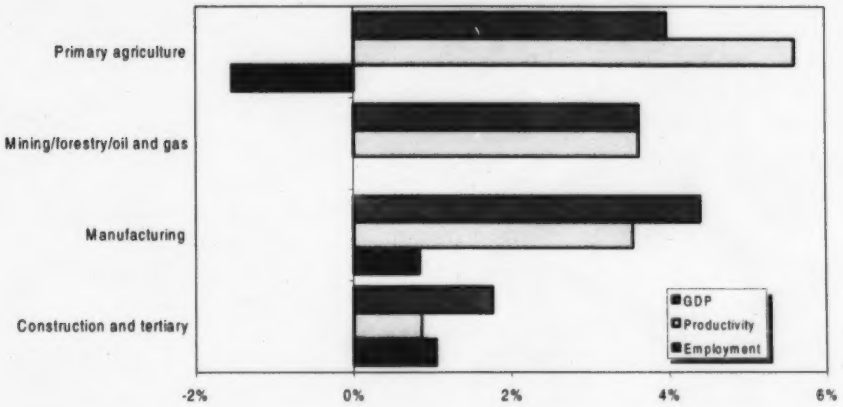
Figure 15



Source: Econex, Sask Trends Monitor, Growing the Rural Economy, Version 2, September 2001 page 10.

Figure 16

Average Annual Growth Rates, 1989 to 1999, Rural Saskatchewan



Source: Econex, Sask Trends Monitor, Growing the Rural Economy, Version 2, September 2001 page 8.

In developing the strategy to grow the rural economy, it would again be useful to show Figure 1 from section II.

As noted earlier, in two of the three sectors that drive the rural economy, primary agriculture and resources, employment is flat or falling while both productivity and GDP are growing. If the decline in the population of rural Saskatchewan is going to be reversed, we must generate employment growth as well as economic growth. Therefore, the strategy focussed on two components:

- increase the GDP fast enough so that even with productivity increases, employment (and therefore population) grows; and
- capture more of the spin-off benefits in rural Saskatchewan.

The time frame for the analysis was a 20 year period from 2000 to 2020. The authors recognized that revitalizing the rural economy was a long-term project and felt that 20 years was necessary to achieve the goal of a growing rural economy with employment and population growth.

The report showed that this goal can be achieved, but only if fundamental change in the rural economy occurs.

- GDP growth would have to be well above the long term trend.
- There needs to be massive investment in the rural economy, roughly an incremental investment of $40 billion over 20 years, with $24 billion of incremental investment in the agriculture, resource and manufacturing/processing sectors.[18]
- The size of the investment dictates that the vast majority of the investment must come from the private sector generally and out-of-province sources specifically, as the provincial treasury and private savings of Saskatchewan residents are simply not large enough to sustain this type of investment. The limited public funds need to be invested in areas like training and infrastructure (physical and social) which will:
  - assist the private sector in fulfilling this growth strategy; and
  - provide the social and physical capital to encourage people to live in rural Saskatchewan.

[18] Incremental investment is additional investment on top of the investment that is needed just to maintain the economy at its current state over the 20 year period.

"Dana McCracken and Charlene Kluz McCracken were working in the steel industry in Iowa. They were excited about the news in Ogema and they wanted to come home. They opened up ***Team Work Ag & Industrial Ltd.*** *which originally custom built fences and has expanded into metal fabrication. In less than two years it has grown to 15 employees with two families (****seven school age children****) relocating from Moose Jaw to work at the fabrication plant."*

Ogema District

- It is up to the private sector to take advantage of the opportunities. Jobs cannot be created for the sake of jobs, but must arise as a desirable spin-off of profitable businesses.
- The population of rural Saskatchewan will need to grow from 575,000 to 800,000 over the 20 years in order to provide an adequate labour force.
- There must be a significant increase in international and inter-provincial migration to the province to meet this employment and population target.

The net effect of this strategy is that the majority of growth (GDP and employment) will come in the construction and tertiary sectors, but this growth is the result of GDP and employment growth in the primary agriculture, resource and manufacturing/ processing sectors:

- approximately 33,000 jobs will be created in the sectors that drive the economy; and
- as a result 90,000 jobs will be created in the construction and tertiary sector.

As suggested by the amount of required investment, the increase in population and the amount of employment that will be created, the proposed strategy implies **that fundamental change must occur in rural Saskatchewan if the rural economy is going to be revitalized. Tinkering at the edges or only making minor changes will not accomplish this goal.**

Opportunity Areas

The subcommittee reports and the "Growing the Rural Economy" report highlighted a number of opportunity areas in rural Saskatchewan. In addition, throughout the report there are examples of communities and entrepreneurs taking advantage of opportunities and bringing jobs and economic development to their communities. Listed below are a number of potential economic development opportunities in rural Saskatchewan. **The following list should not be construed as ACRE choosing which areas local communities and entrepreneurs should focus on, but is simply a sample of areas which may provide opportunities for rural Saskatchewan**[19]:

"Encourage the North American sheep industry to move here. Let's do with sheep what Alberta did with the feedlot industry. Sheep over the long haul, are very profitable mainly because North America is a net importer of lamb."

Bob Siemans, Fiske

- Cattle - cow calf, backgrounding and finishing
- Hogs
- Sheep
- Nutraceuticals
- Wind farms
- Ethanol plants
- Most types of manufacturing and processing
- Food processing
- Organic and low input agriculture
- E-commerce
- Tourism
- Agro-forestry
- Forestry
- Mining
- Oil and gas
- Horticulture
- Special crops
- Specialized livestock
- Irrigation

"Wind generation of electricity is an idea that needs more attention and action."

Richard Harbus, Gravelbourg

[19] The listing of opportunities areas may be useful in assessing what type of infrastructure is needed in the future.

Investment

The amount of investment ($40 billion of incremental investment over 20 years) identified in the "Growing the Rural Economy" report suggests that a massive amount of investment will be needed to meet the suggested growth and employment targets. As proposed in the consultant's report, the size of investment indicates that the vast majority of investment will have to come from the private sector. The Saskatchewan Treasury is too small to fund this investment and what scarce public money is available will likely be needed to invest in the social (schools, health care, etc.) and physical (highways, communications, etc.) infrastructure.

The amount of private capital that is needed also implies that investment will have to come from both Saskatchewan and non-Saskatchewan investors. Investors, whether they are from Saskatchewan or out-of-province, have numerous investment opportunities in which to park their funds. For investors, Saskatchewan is only one option among thousands of options.

> *"The Lake Diefenbaker Development Area is attracting interest from water-short, high-priced-land Alberta cattlemen and from as far away as PEI, Idaho and Washington for our 'Northern Vigor' top quality seed potatoes."*
>
> *Carl Siemens, Irrigation Crop Diversification Corporation (ICDC) Chair*

Attracting investment to rural Saskatchewan means that rural Saskatchewan must be (and be perceived to be) an attractive place to invest. The decision of investors to invest in rural Saskatchewan will ultimately depend on whether the investors can earn a competitive return on their investment and whether they are comfortable with the investment climate. A level of comfort for investors implies that Saskatchewan residents welcome investment (especially out-of-province investment) and that there is a high degree of certainty in the regulatory and legislative climate. In other words, investors must be confident that the regulatory climate will remain relatively stable over time to ensure that their investments are "safe" from regulatory adjustments.

Local Initiative the Key to Success

The preceding discussion, whether it was identifying growth and employment targets, investment decisions or opportunities, is in many ways, a high level discussion of how to revitalize the rural economy. From a provincial perspective these concepts are very important, but at the local level, whether it is a town, village or rural area these concepts are relatively abstract.

Dr. David Freshwater, a leading authority on rural development around the world, believes:

> **"Finally, it cannot be overemphasized that successful rural development is almost always a fundamentally local phenomenon. Ultimately, successful rural development depends on local initiatives.[20]"**

A review of the rural economic development literature suggests that most analysts in this area agree with this assessment and evidence from various case studies of successful towns supports this view as well. One of the best examples of this local growth model is the town of Winkler, Manitoba.

In the 1960s, Winkler, which had a population of 2,300 people, was concerned about its future as many of the young were leaving at the first opportunity. The leaders of the town decided something needed to be done to ensure that Winkler would be viable over the long term. They developed a long term economic development plan that over 40 years has resulted in a population that is expected to be 8,500 (2001 Census) with unemployment close to zero.

According to the President of Winkler Chamber of Commerce, "Winkler is based on local internal development for the most part. There are no large

[20] Freshwater, David, Three Papers on Rural Development, TVA Rural Studies Program, University of Kentucky, Staff Paper 00-14, November 2000, page 19.

outside companies that have come in and set up a big plant that employs large numbers of people."[21] Walter Siemens, Winkler's economic development officer, has a very similar view: "it really is the people... I have seen that over and over again - those two people become three or four and before you know it, you have a fairly large business established and they have their roots here."[22]

> *"We cannot just look at 'economic development,' we must look at 'community development,' which is larger. If a company can move in they can just as easily move out."*
>
> *Lorne Johnson, Mayor,*
> *Town of Eston*

This view suggests that **if the rural economy of Saskatchewan is going to be revitalized, it will be up to local communities and entrepreneurs, and not the province or the federal government that will ultimately determine whether a community will survive.** Implementation of provincial policies to create an environment conducive to economic development will not help those communities that show no initiative or fail to take advantage of the opportunities. The province and the federal government can do their part but, at the end of the day, it will be local communities and entrepreneurs who will make the real difference in revitalizing rural Saskatchewan.

[21] Western Producer, January 3, 2002, Vol 79, No. 22, Page 62

[22] Ibid, page 62.

V CONCLUSIONS AND RECOMMENDATIONS

As ACRE began the task of analysing the economy of rural Saskatchewan and developing strategies to enhance that economy, they were confronted with the perception that rural Saskatchewan is in a "death spiral" and that there is no hope for a turn around. During the course of their work, ACRE saw various trends that pointed in this direction, however, they saw little or no evidence that rural Saskatchewan was a lost cause. In other words there is real hope for rural Saskatchewan, and rural residents and Saskatchewan residents in general still have a chance to reverse the fortunes of rural Saskatchewan.

ACRE also came to the conclusion that "business as usual" and the "status quo" is not an option. We cannot keep doing what we have been doing if we are truly serious about reversing the decline. Making only minor changes or tinkering at the edges will not work; we have tried this strategy for years and it has not worked. There are major problems in rural Saskatchewan, chief among them the negative attitude of Saskatchewan residents, both rural and urban, about rural Saskatchewan. However, there are many positives in rural Saskatchewan and the success stories of communities and of various towns and businesses show this.

The fundamental change that must be made to revive the fortunes of rural Saskatchewan must come from within rural Saskatchewan. While the provincial government has an important role to play and outside investment, in terms of both capital and people, is important, in the end it is residents of rural Saskatchewan that will make the key difference in "turning around rural Saskatchewan."

The decline in the population of rural Saskatchewan has been an on-going process for 50 years. Reversing this decline will not occur overnight and there are no short term fixes. ACRE is of the belief that the revitalization process will be at least a 20 year project. While this seems like a long time period, ACRE believes this time period is the only way of achieving sustainable growth of rural Saskatchewan over the long-term.

Recommendations

The recommendations developed by ACRE are based on the premise that there are a number of constraints that are hindering the development of opportunities in rural Saskatchewan. Implementation of the recommendations by the provincial government would reduce or remove these constraints. Many of them deal with regulatory impediments, while others involve government expenditures in areas of infrastructure, social (education and training) and physical development and start-up assistance for businesses. Tax issues and their impact on business development are also addressed.

As discussed earlier, ACRE divided the subcommittee recommendations into "priority" and "other" categories. The "priority" recommendations have been approved by the whole Committee and will be passed on to the provincial government. The "other" recommendations have been approved at the subcommittee level, however, **they have not been approved by the whole ACRE committee.** Thus, they should not be seen as recommendations that will be going to government at this time. It is anticipated that in the near future these recommendations will be reviewed and voted upon by ACRE. Those recommendations approved by ACRE will then be passed on to the provincial government.

Priority Recommendations

After reviewing the priority recommendations, ACRE felt that they could be classified into six theme areas. The six areas are: Competitiveness, Skills Development, Infrastructure, Sector Specific, Facilitating Change and Research and Development. The recommendations were developed based on the premise that there are a number of constraints that are hindering the development of opportunities in rural Saskatchewan. Implementation of the recommendations by the provincial government would reduce or remove these constraints. For each recommendation a short background piece is

provided, which will provide a rationale for the recommendation. However, it is suggested that the subcommittee report be read to get a better understanding and background to the recommendation.

Each recommendation is identified by subcommittee (with a page number in the subcommittee report indicating where it can be found) and is as follows:

A = Agriculture
R = Resource
AV = Agri-value
FIFS = Farm Income and Farm Structure
RMC = Rural Manufacturing and Construction
CIE = Community In Evolution
RS = Rural Service
ED = Tools for Economic Development

1. Competitiveness

Saskatchewan is part of the global economy and therefore must offer a competitive business climate if it wishes to establish, grow and retain local businesses as well as attract businesses from out-of-province. In addition, there is clearly a need to provide an environment to ensure that all people can participate in the ongoing economic well-being of the province. To that end, a comprehensive business strategy for Saskatchewan must be developed that creates an environment that is stable in which individuals, communities and businesses are willing to make long-term investments.

ACRE recommends that the Government of Saskatchewan:

- Conducts a **comprehensive review to assess the province's competitiveness**.

1.1 Taxation Recommendations

- Explores the adoption of a **"Saskatchewan Value-Added Tax Credit"** by December 2002. (AV, page 19)

  Background

  Taxation is one of the key tools that government can use to influence economic change in this province. Targeted taxation initiatives and expenditures in combination can be used to promote growth. The effective use of these tools was repeatedly encouraged during consultation with companies in both the early and mature stages of development.

  There are many places where government action is needed to address the needs of agri-business development. In fact, when asked what initiatives would stimulate the most growth, tax reduction was the first choice of most of those consulted. A place where action is necessary is through the targeted use of tax credits to encourage expansion of existing firms or the attraction of new firms to the province.

- Ensures **consistency in taxation of all rural municipalities** and specifically, the application of punitive mill rates. (R page 8)

  Background

  Not all rural municipalities apply their various rules and regulations in an equitable manner. For example, RMs have the authority to apply property tax tools to enable them to accommodate property reassessment. One of those tax tools is the authority to apply a variable mill rate. The manner in which the variable mill rate is being applied in some RMs appears to result in excessive property taxes and user fees such as road haul agreements for the oil and gas industry

- Explores the potential for a **special youth tax structure** as a means of encouraging youth to stay in or relocate to Saskatchewan to start businesses and families. (FIFS, page 16)

  Background

  A sustainable Saskatchewan will require people in rural areas. It is not enough to simply generate more revenue or production. The future of this province is in successive generations. Individuals and particularly youth must have a reason to enter, stay and be encouraged to participate in the Saskatchewan economy.

- Takes steps to **alleviate the current education tax burden on farmland**. (FIFS, page 18) (CIE, page 17)

- **Reduces the reliance of educational funding** on the property tax base by completing the major review of the Foundation Operating Grant and increasing the funding for education out of provincial revenues. (CIE, page 17)

Background for previous two recommendations

The property tax contribution is no longer sustainable in connection with education funding and municipal requirements. Rural Saskatchewan believes that local control of education is important and must be retained. At the same time, all residents of Saskatchewan retain some responsibility for the funding of the K-12 system and as such, local education funding should not rest solely on the property tax base.

The Department of Education's Foundation Operating Grant provides the provincial share of operating revenue for K-12 education. The provincial proportion of the educational funding has been reduced or eliminated over time, forcing school divisions to rely on the property tax base. Coupled with reduced revenue sharing to municipalities from the province, this has intensified the pressure on the property tax base to the critical breaking point (e.g., tax revolts, non-payment of taxes and forfeiture of property).

- Examines the **use of the fuel tax exclusively for road maintenance and construction** in the province. (RMC, page 13)

Background

The committee felt that there had been a significant deterioration in the quality of roads in Saskatchewan. One of the issues identified by the committee was the fact that not all of the tax collected as a "road tax" was being used to upgrade and construct roads. There was a realization that the manufacturing and construction industry relies heavily on roads to transport raw products to plants and then ship these products to the market place. The availability of additional money directed at roads increases the opportunities for the development of new businesses or established businesses to expand. Without a good road infrastructure this will not happen.

- Promotes **machinery or land co-operatives**, or collaborative ventures that promote the shared use of specialized equipment, through a more favourable tax environment. (FIFS, page 17)

Background

Primary agriculture is becoming increasingly capital intensive. It is difficult for many farms to address the high cost of machinery purchases per farm. By working together, producers can reduce their capital cost per acre.

- **Implements a dedicated consumer tax to provide funding for tourism product development and marketing**; specifically for rural-based opportunities in Aboriginal, agricultural, cultural and ecological tourism. (RS, page 4)

Background

Product development and the marketing of tourism was historically funded by the federal and provincial governments and primarily delivered and managed through provincial government departments, until the formation in the mid-90s of Tourism Saskatchewan, a private sector-government partnership.

Tourism Saskatchewan's focus is industry development and marketing, in conjunction with tourism regions, individual entrepreneurs, communities, and stakeholder organizations. However, product development funding is now largely the responsibility of the private sector and communities.

While there are many success stories, new tourism product development opportunities require significant resources. While the private sector has and is making major investments in marketing, the government share has been frozen for the past six years, and lack of capital is an impediment towards achieving the significant potential that exists.

In other jurisdictions in Canada, the United States, or abroad, municipalities or provincial or state governments use a dedicated tax to finance industry organizations that are active in tourism product development and marketing, and provide a variety of other services. Examples include the cities of Montreal and Vancouver and the Province of Alberta in Canada and countless cities and states in the United States. A tax on hotel rooms is the most common approach.

- Implements a taxation incentive/assistance program to help older farmers pass on the land to a succeeding generation. (FIFS, page 16)

Background

Governments should take actions to assist in the intergenerational transfer of farms. Producers must have adequate resources available to be able to enter and exit the industry without negatively affecting the integrity of a viable operation or their ability to meet personal financial needs.

1.2 Regulations Recommendations

- Applies a **consistent set of regulations on the use of roads in all rural municipalities** (business, farm and private) particularly in the application of road haul agreements. (RMC, page 13) (R, page 8)

Background

Individual rural municipalities in Saskatchewan have the authority to develop by-laws and administer various agreements and regulations with respect to their municipality. There are often different rules and requirements among municipalities, which create confusion for industries that are active in several different municipalities (i.e., the transportation of a drilling rig to a single site may be subject to a number of different road haul agreements).

Not all rural municipalities apply their various rules and regulations in an equitable manner. For example, in some RMs, the application of fees related to the bulk haul of goods and materials, does not apply to all bulk haulers (i.e., may apply to the transportation of a drilling rig, but not to the transportation of grain).

- Provides the support necessary to have agricultural industry-wide policies and practices that **enhance competitiveness through food safety and environmental practices** (consistent with other jurisdictions). (A, pages 1, 26)

Background

Primary agriculture operates in a global economy and must have a competitive business climate. Key elements are taxation levels, efficiency of regulation, supports for investment and development of effective risk management options, cost of living and support for the environment.

In general, the province needs to ensure that the business climate facing primary agriculture is competitive with other jurisdictions and that we have a level playing field. Taxation levels, the education tax in general and the corporate capital tax for the emerging larger operations are key issues. In addition, the government needs to ensure that sufficient funding is being employed to maintain our leadership role in production innovation. This can be accomplished by investing in priority research.

1.3 Labour & Immigration Recommendations

- Collaborates with organized labour and industry to review and/or establish the measures necessary to **create a positive, competitive and progressive labour environment** including a fair, equitable and effective worker's compensation program in Saskatchewan. (AV, page 19)

Background

Access to a sufficient quantity of highly skilled labour in a competitive labour environment was the most frequently cited concern in the consultation process. Saskatchewan's working-age population is not growing, it is increasingly clustered around large centres or cities and is highly mobile. As companies consider making large capital investments with the expectation of 20 or 30 years production to extract the maximum return, uncertainty about the labour environment increases their risk. Business needs to understand and manage this risk as much as possible.

Throughout the interviews conducted with agri-business both within and outside Saskatchewan there is a perception that this province's labour environment is unfriendly to business and not competitive with other jurisdictions.

- Actively encourages immigrant producers that have experience in growing products which take full advantage of irrigation opportunities. (A, page 25, 29)

Background

The transition to new crops, new markets and new strategies requires new skills, capital, information and a willingness to change. Given this situation, it will be necessary to consider all options to enable existing producers to change their management practices and to attract the right people with the right skills to lead change. Recent news stories indicate that many farmers from other nations, who are facing restrictions on their farming operations, are looking at Saskatchewan and the prairie region as an opportunity to relocate their farming operations.

1.4 Investment Recommendations

- Establishes the **Saskatchewan Opportunities Foundation** to provide funding of grants, loan guarantees, scholarship and leadership training through public and private funds, private investment/tax credits and revisions to the PST. (CIE, page 3, 13)

Background

There has been a significant demand for project funding in rural Saskatchewan. However, the grant dollars made available have tended to be inadequate, targeted and somewhat inflexible. Rural residents have put forward many excellent project ideas, however, implementation is limited by minimal access to appropriate funding.

Under this proposal, the provincial government will transfer the decision-making for business and community development funding programs to the Foundation. It requires that government maintain a leadership role in: research and development, technical expertise and long-term sustainable funding by:

- Entering into a long-term, on-going (20 year plus) agreement to help fund the Saskatchewan Opportunities Foundation. The fund will be established through public funds including new monies, PST revenue and the consolidation of current provincial funding programs, and private investment/tax credits. Government will identify funding programs from all departments that fit within the goals and objectives of the Foundation and transfer the monies for those programs to the Foundation in order to significantly streamline the funding process.

- Significant financial commitments will be required from government during the start-up years. A broadly based board of directors, representing the diversity of community and regional stakeholders, will manage and administer the Foundation. The Foundation will be at arms-length from the government.

- Develops and leads an **Agri-business Investment Strategy** that includes:

  - Developing existing and attracting new agri-business in the province; and

  - **Establishing Business Assistance Teams** to assist firms with location analysis, accessing equity and debt financing, navigating the regulatory requirements, determining/ negotiating business costs (i.e., utilities, accessing programs and overall problem solving). (AV, page 18)

Background

The development of agri-business in Saskatchewan needs proactive support. Without support at the community, institutional and government level, development will continue to occur at a slow and steady pace. This pace is far beneath the province's potential and far behind that necessary to stay abreast of comparable jurisdictions in Canada and beyond. Saskatchewan needs to work with both local and out-of-province entrepreneurs to develop our agri-food industry.

In the consultations with out-of-province agri-businesses, the leaders clearly stated that they do not receive adequate information from Saskatchewan regarding its competitiveness as a place to expand or establish business. Most responded that they would welcome more information from Saskatchewan similar to what they now receive from states and other provinces. Providing an on-going distribution of positive information regarding opportunities for growth in this province will facilitate investment attraction.

1.5 Aboriginal Participation Recommendations

- Works co-operatively at all levels with Aboriginal people (First Nations, Metis and Non-status) to foster a **shared understanding of our vision for the province**. (CIE, page 18)

- **Engaging the Aboriginal people in the work force** that includes expansion of Aboriginal ownership of businesses either from a First Nations' owned business view or in partnership with the private sector. (RMC, page 11) (CIE, page 18)

- Implementing policies that **encourage the private and public sector to forge partnerships with Aboriginal organizations**. (ED, page 33)

Background for the above three recommendations

The First Nations population makes up at least 10 per cent of the Saskatchewan population. It is also experiencing the highest growth rate of all segments of the population. The First Nations are also becoming large landowners in the province. This land holds many resources, which, through extraction and processing, can lead to other revenues - agriculture, mining, forestry, oil and gas. The land may also be used to house manufacturing facilities.

The demographic and socio-economic characteristics of the Aboriginal population are distinct so it is important to take these differences into consideration when examining community populations.

The Aboriginal community has placed a high emphasis on building partnerships with the non-Aboriginal community. Building partnerships with the Aboriginal community was also a key focus in the "Partnership for Prosperity" report.

- Initiates discussions with the Government of Canada, the Federation of Saskatchewan Indian Nations and the Metis Nation of Saskatchewan to provide mechanisms for **Aboriginal people and their communities to access federal programs** and services initiated at the provincial level. (ED, page 33)

- Begins the process of **removing barriers to provincial programs and initiatives** that prevent First Nations participation. (ED, page 33)

- Establishes and implements targeted, set aside policies for Aboriginal providers of goods and services. (ED, page 33)

Background for the above three recommendations

The First Nations have raised the concern that some past agricultural assistance programs were not available to the First Nations sector. They feel that accessing these programs and initiatives would have enhanced economic development. Examples of these programs included NISA and AIDA.

In the future, as programs are developed, it is important that programs apply equally to Aboriginals, both on and off reserve. The Aboriginal community would also like provincial support when First Nations are lobbying the federal government to implement programs initiated by Saskatchewan First Nations.

The federal government launched the Procurement Strategy for Aboriginal Business (PSAB) to help Aboriginal firms do more contracting with all federal departments and agencies. Under this program, the federal government is reserving all contracts that serve a primarily Aboriginal population and that are worth more than $5,000 for competition among qualified Aboriginal businesses. They are also encouraging federal buyers to set aside other contracts for competition among Aboriginal businesses whenever practical. The Saskatchewan Aboriginal community would like the provincial government to implement a similar program.

2. Skills Development

Building a competitive environment will also depend on the development of a skilled labour force within the province of Saskatchewan. Many companies have identified the problem of not only access to labour but also access to the specific skills in the labour force.

In addition, ACRE believes that the province's long-term economic growth depends on our youth. We must ensure that strong ties can be created with the education and business communities in order to reap the benefits of a bumper crop of youthful ideas.

ACRE recommends that the Government of Saskatchewan:

2.1 Education & Training Recommendations

- **Promotes careers in the trades** in order to provide a greater number of skilled professionals to the various sectors of the economy. (RMC, page 14)

  Background

  There is a view that SIAST should direct more effort to providing welding skills that are needed by Saskatchewan manufacturing businesses. This sector needs people on the production line that can weld - not journeyman. They need people with basic welding skills not gas line welders. In most cases journeymen welders leave the province after training. The respondents viewed support from government for programs like Buy Saskatchewan, Job Starts/ Future Skills (should include upgrading, as well as just new applicants) as positive.

  Industries need a pool of welders and advanced skilled people who can contribute to a company's continuous upgrading of its products. Saskatchewan companies have had difficulties with this issue. Programs should be designed with input from the industry that addresses their needs.

  The education system should focus more on the technical trades. The system generally focuses on academic training as a means to developing a career. The promotion of trade jobs as a career would provide a greater number of skilled professionals to address this sectors' needs.

- Identifies and provides opportunities for businesses to **assess and build their entrepreneurial, leadership and management skills** in areas of confidence building, entrepreneurial spirit, global vision and knowledge in financing and marketing. (AV, page 14) (RMC, page 10)

  Background

  Leadership is essential to effect positive change. It takes someone with ability, drive, resources and entrepreneurial skills to grow the industry.

  But the consultations concluded that there is a deficiency in the number of leaders and in leadership skills in rural Saskatchewan.

  In general there was a feeling that there was a lack of good leadership skills to look beyond the borders of Saskatchewan and a feeling that Saskatchewan people do not reward and respect success.

  The consensus is that Saskatchewan needs to develop leadership skills by training, through a mentorship program and/or by attracting new or expatriate leaders back to Saskatchewan. Having leaders is critical to building capacity. They are decision makers, they have the capacity to influence and train entrepreneurs, and they have the capacity to communicate the messages that need to be heard.

- Expand **distance education through technology** so that options for learning can be made available to school children who face extended busing on a daily basis; and so that post secondary students and adults can receive further education or training. (RS, page 5, recommendation has been revised since the completion of the subcommittee report)

  Background

  Declining rural populations and changes in rural population demographics have continually resulted in declining school enrolments. Consolidation of the school system and busing of students has largely been the historic response to this trend and reality. In some parts of the province, we may be at the limit of the distance children can be comfortably transported to and from schools.

  Distance education can also be used by post secondary students and adults to further their training and education. In many cases rural residents are unable to further their training and education due to long distances to the training and educational facilities. An example of distance education at the post secondary level is courses offered by the University of Saskatchewan. A number of classes are being offered through this initiative and more are planned in the near future.

- **Utilizes the expertise of local people and** the availability of local private sector **facilities in the delivery of education programs** where such expertise and facilities are not readily available within the education system. (RS, page 5)

  Background

  Financing the construction and maintenance of school facilities has always been a challenge throughout Saskatchewan. In schools with small staffs, it is not always possible to include all areas of expertise. Therefore, the expertise of local people and the availability of local private sector facilities should be used to deliver education programs where such expertise and facilities are not readily available within the education system. Examples are local automotive and machinery dealerships, contractors and other such commercial or community facilities.

- Engages the Department of Education, Department of Economic and Co-operative Development, the Saskatchewan Chamber of Commerce, the Saskatchewan Teacher's Federation, Federation of Saskatchewan Indian Nations (FSIN), and the Metis Nation of Saskatchewan among others, in the **development and implementation of a curriculum** component for the primary and secondary system that is dedicated to **business/ entrepreneurship education**. (ED, page 29)

  Background

  Our long-term economic growth depends on our youth. Strategies for implementation of business curricula are critical for providing youth with an alternative to traditional choices. Instead of a student pondering, "What job will I have in the future?" there should be a shift in thinking to "What business can I create?"

  The point is that many Saskatchewan students are not taught basic skills that would have them think of the entrepreneurial alternative. In many cases these same principles, such as credit, banking and business relationships, transcend to our personal lives. Many exciting ideas have originated in all sizes of communities, which may sometimes lead to growth and/or revitalization created right in their very community.

- **Increases resources available for training people** for a career in agriculture and rural businesses. (FIFS, page 17)

  Primary agriculture faces continuous changes and challenges. There is a need for farmers and rural business people to continue to upgrade their skills. Increased investment in training for farmers and rural business people will enhance individual decision making and profitability.

- **Provides funding for** comprehensive community-based leadership **training to build local capacity to position the community for change (easily accessible and builds on existing modules/programs)**. (CIE, page 19)

  Background

  Given the depopulation across Saskatchewan and the demand for developing a diversified economy throughout rural regions, there is a clear and present need to develop community leadership capacity. Two things are happening in rural Saskatchewan:

  - we are losing our youth and our future leaders, and,
  - the current leadership is aging, moving and retiring.

  This has created a leadership void both now and for the future.

2.2 Mentorship Recommendations

- Utilizes existing resources to establish a "Venture Management" initiative that would **match experienced managers with new or expanding agri-businesses**. (AV, page 15)

  Background

  The development of a vibrant agri-business industry in Saskatchewan is more than good projects with adequate capital. It is essential that projects include an experienced management team and a well-developed business plan. Many of Saskatchewan's entrepreneurs emerge from either a scientific or production background and have limited experience in finance, marketing and human resource development. This lack of key business skills increases the likelihood that projects will fail.

Saskatchewan has experienced CEOs or individuals with senior management experience that, if utilized, could be a definite asset to the province.

3. Infrastructure

The infrastructure provided by the province will play a key element in the emerging economy. Key elements will include linking Saskatchewan with emerging distribution hubs and linking our major centres. Key principles to be followed include competitiveness and efficiency.

ACRE recommends that the Government of Saskatchewan:

- Develops a plan **for infrastructure built around key irrigation sites** such as, but not limited to, Lake Diefenbaker, the Rafferty and Alameda Reservoirs and the South Saskatchewan River that includes synchronized public and private investment. (R, page 12)

  Background

  Water is a huge underutilized resource in Saskatchewan with a potential for four million acres of irrigation (currently 300,000 are irrigated). Much of the infrastructure is in place for successful irrigation facilities, however, there is a need to cluster development to optimize rotations arising from irrigation, (i.e., in conjunction with a feedlot, etc.) There is also a need for other infrastructure such as highways (primary weight all weather roads), cell phone coverage, etc. to be developed at the same time.

- **Invests in the infrastructure that is needed to accompany agricultural producers in transition** into new sectors which may include:

  - Encouraging development of related sectors along logical corridors;
  - Providing financial support for water development for livestock operations, incorporating necessary environmental principles of sustainability, health and safety; and
  - Providing financial assistance through loans or incentives for development of necessary facilities for livestock or specialized crops (vegetables, herbs, organics, berries, etc.) (FIFS, page 17).

  Background

  Government has an important role to play in providing the necessary infrastructure needed for business success. As well, producers will be required to make significant capital investments in order to move into new sectors or to take advantage of new opportunities. Governments can assist producers with this transition by providing loans or incentives for the required capital investments.

3.1 Transportation Recommendations

- Develops and implements a strategy that integrates the road, rail and air services in the province to support business development (RMC, page 13) and includes working with municipal governments to improve the co-ordination and integration of planning for permanent municipal road and provincial highway systems. (RS, page 2)

  Background

  There is clear need to improve the road, rail and air services in the province to support business development. To accomplish this, regulations on roads should be the same for business, farm and private roads and consistent between provinces. We should also strive to move heavy freight by rail which would relieve the stress on the provincial highway system. Thus there needs to be a competitive rail system to reduce freight costs.

3.2 Utilities' Recommendations

- Ensures **the installation of three-phase power, gas and telephone landlines** to rural Saskatchewan. (RMC, page 13)

  Background

  The committee recognized that in order for this industry to evolve and expand, accessibility to power, gas and telephone service is a major requirement. The present cost of bringing these utilities to remote locations throughout the province may be prohibitive in setting up manufacturing businesses.

- **Provides access to high-speed phone lines and cellular coverage** in order to keep pace with new technology. (RMC, page 13)

Background

All businesses need to be competitive in a market place that is becoming more and more global. Examples were provided by rural businesses indicating that they only had cellular coverage at the far end of their driveway or could not be connected to high speed phone lines to use information technology in an effective and efficient manner. Clearly a network of high speed phone lines and cellular coverage in rural Saskatchewan is required for communications, marketing, purchasing and intelligence gathering to support the growth of the industry.

3.3 Irrigation Development Recommendations

- Adopts an **aggressive policy towards irrigation development** that expands utilization of the current irrigation system and further development in order to open new areas for diversified agricultural growth. (A, page 29)

Background

The total acreage in Saskatchewan under irrigation should be increased. This would include new infrastructure at existing sites and modernization of some of the existing infrastructure. This would include expansion at Outlook and a close assessment of the potential at other sites, including Rafferty and other basins along the Saskatchewan River. New forms of small-scale irrigation, which utilize smaller bodies of water, should be considered.

Processing of horticulture crops should be encouraged to enhance the viability of irrigation production.

The linkage between irrigation and ILOs in other provinces leads to the need for an examination of why the livestock industry underutilizes irrigated areas in Saskatchewan.

An active push to establish New Generation Co-operatives (or other appropriate structures) to process horticulture crops should be considered in conjunction with the development of an irrigation-based food processing park.

3.4 Water-Waste Management Recommendations

- Develops options that ensure a **practical and economically feasible water treatment, distribution and wastewater management infrastructure in the province** (e.g., distribution of raw water to households with their own treatment systems. User-pay and community-based decision-making must be key principles in the decision process). (RS, page 2)

Background

Water supplies of sufficient quantity and good quality, and effective waste management practices that protect air quality and water resources, are essential to life in rural Saskatchewan and the growth of the rural economy.

It is not practical for every community to obtain and sustain a complete water treatment and distribution infrastructure. Criteria needs to be developed for practical alternatives, including, for instance, distribution of raw water to households with their own treatment systems (the so-called under-the-sink systems). User-pay and community-based decision-making need to be key principles in this decision process.

3.5 Land Use Recommendations

- Establishes the legislative, regulatory and policy framework that is consistent and fair and that **encourages the sustainable non-traditional and, where possible, multi-use of Crown lands** for the benefit of rural residents and that leases issued contain clauses allowing for integrated multiple uses by the lease owner. (R, page 17)

Background

Historically, Crown lands have been used for cultivation, grazing and hay and more recently for oil and gas development. In recent years, other interests including tourism, eco-tourism, outfitting, wildlife preservation, forestry, recreational uses and cultural values have become increasingly evident on agricultural Crown lands. These alternative uses or multiple uses of Crown lands can enhance the value-added or benefits accruing to the rural economy.

However, there is a lack of or a conflicting legislative, regulatory and policy framework that prohibits or restricts these multiple or non-traditional activities from occurring.

- In conjunction with local governments, develops a land use planning process that takes a balanced approach to land management in the province and establishes **fair and consistent rules with respect to land use** for the province. (R, page 14)

Background

Municipalities either compete against each other for development or, if local residents are not fully supportive, go out of their way to stop development. Companies doing business in a number of municipalities often experience a lack of consistency creating a non-level playing field. In addition, local interests sometimes override provincial interests (not in my back yard issue) resulting in uses being zoned out. This lack of development certainty is viewed by some as a constraint or deterrent to development.

3.6 Organizational Development Recommendations

- Creates a **Rural Opportunities Office** to develop and implement a long-term, comprehensive, action plan for rural Saskatchewan. (Rural Revitalization Office be renamed the Rural Opportunities Office or ROO). (CIE, page 2, 10)

Background

In subcommittee consultations, working through government regulations was identified as a key concern for development project proponents in rural Saskatchewan. The current system is complicated and confusing for those working on projects. Lengthy response time is an issue.

The ROO will:

- be accountable to rural Saskatchewan;
- serve rural citizens through the mechanisms of policy, service delivery, and investment with a "one stop, no wrong door" approach; and
- champion rural issues and initiatives, e.g., infrastructure, economic and community development, health, education, etc., to ensure departments work together to minimize red tape, barriers and to address overlap and duplication.

- Encourages and **enables the emergence of "Opportunity Regions"** from the grassroots in rural Saskatchewan to alleviate the multiplicity of regional boundaries and to foster community and economic development. (CIE, page 2, 11)
  - *As part of this process*, it is recommended that the province establish a voluntary program that encourages municipalities in a region to co-operate in a Reeves-mayor's council similar to that initiated under the Regional Parks Program. For example, under this program, the council could qualify for assistance (financial and technical) to establish a co-ordinating office and co-ordinating opportunities fund. (ED, page 22)
  - It is also recommended that the Government of Saskatchewan along with the Government of Canada examine the concept of developing co-terminus boundaries as a means to create a more conducive and comprehensive environment for their service delivery and rural community and economic development. (ED, page 22)

Background for the above recommendation and sub-recommendations

There are a number of organizations, federal, provincial and municipal that operate at a more regional level that impact economic development. Many of these organizations often overlap each other. The lack of co-ordination between the various levels of government has been identified as a hindrance to economic development. As a result:

- there is confusion, frustration and isolation at the local community level;
- development of a common, regional, co-operative, and holistic approach to the delivery of programs and services has not taken place;
- there is an inefficient service delivery system with different agencies and individuals working at cross purposes; and

- programs and services (e.g., health, social services, education, tourism, highways, agriculture, economic, etc.) are fractured and eroded.

The Opportunity Region would:

Stage 1

- lead and utilize what is working now, to identify common issues by region,
- develop and/or build on common tables/ forums, and,
- encourage involvement from all social, economic and environmental departments, agencies, and groups/organizations, etc.

Stage 2

- utilize common tables/forums to provide community development programs, services, and enable inter-community and municipal co-operation,
- use the ROO to co-ordinate social, economic, and environmental development across government departments/agencies, and,
- become a common holistic (social, economic and environmental) region for service delivery co-ordination through common boundaries and government collaboration by 2005.

- Conducts a **review of the programs implemented in Ireland** to assist in the development of business start-ups to determine the applicability of the programs to rural Saskatchewan. (ED, page 25)

Background

Starting a business and maintaining a profitable business over the long term is a difficult task. Figures from the United States suggest that two out of three businesses that start up no longer exist after five years. (The figures for Canada are likely to be quite similar.) A significant number of these businesses have failed, but others may have been shut down for other reasons. In order to develop a thriving small business sector in rural Saskatchewan, the failure rate for small businesses needs to be reduced, especially during the crucial start-up phase.

The Government of Ireland has recognized the importance of assisting businesses especially during the start-up phase and has implemented a number of programs to assist those that are interested in starting a business.

4. Sector Specific

Opportunities abound in specific sectors in rural Saskatchewan that will add to the growth of the province's GDP. In order to realize the potential in identified sectors, specific issues must be addressed.

ACRE recommends that the Government of Saskatchewan:

4.1 Agriculture Sector Recommendations

- Moves forward on the **development of a feeding industry** to complement the grains and oilseeds sector by ensuring that financing, regulatory impediments, environmental sensitivity and leadership are addressed. (A, page 27)

Background

The small number of existing players in the intensive livestock area has led to limited experienced management to initiate and operate new projects.

Proponents, especially those developing their first project, have noted difficulty and delays in gaining all permits and approvals to get projects off the ground. New approaches are needed to get projects off the ground with less unnecessary delays and expenses for proponents. Complementary efforts with local governments to develop consistent, transparent criteria for project approval will also be required.

Many proponents speak of the complexity of regulations for first time users and comment that a second project should be much easier with what they have learned. Individuals who have successfully completed their projects should be interviewed so they can identify, in practical terms, the steps that were necessary for the completion of their projects and the kind of issues they encountered.

- Expands efforts to facilitate **increased forage production**. (FIFS, page 17)

Background

Growing the livestock industry in Saskatchewan will require increased forage production in this province. The province is currently assisting producers in this conversion to increased forage production through the Conservation Cover Program. Continuation and expansion of this program would be beneficial to Saskatchewan producers.

- Ensures **a broad based organic strategy is developed**. (A, page 28)
- Assists in the industry-driven establishment and implementation of a national accreditation system for the organic sector. (A, page 28)

Background to the two previous recommendations

Saskatchewan has wide-open spaces and a dry land climate that responds less to inputs than many other regions of the world (lack of moisture restricts the benefits of fertilizer use and cold winters reduce many insect pests). This creates an ideal competitive advantage for organic production. An organic strategy should deal with the following:

- need for a common standard that will ensure market access into key global markets;
- expansion of organic feed and animal production;
- processing of organic production. As a niche product, it is likely that processing will be better suited to the type of processing capacity that Saskatchewan can realistically provide (i.e., marketing organic niche products that are not as dependent on traditional warehousing/wholesaling structures);
- review (with recommendations) on the transportation and handling requirements of the organic and processed organic sector; and
- consider actions to ensure organic production can coexist with GMO production. This could be one project undertaken by "The" Centre for Sustainable Development.

- **Utilizes agricultural Crown land as a tool to enhance the livestock industry** by:

1. Encouraging the conversion of marginal cultivated agricultural Crown land to perennial forage;
2. Examining the development of an infrastructure program that would provide Crown land tenants the means to construct required facilities on lands being converted to perennial forage; and
3. Change current Crown land use policy to maximize potential whether through sales or lease (e.g., community projects or private individuals). (R, pages 15, 17)

Background for sub-recommendations 1 and 2

Of the eight million acres of land owned by the province in the agricultural zone of Saskatchewan, approximately 700,000 acres is cultivated land leased out for growing annual crops. One of the limiting factors to expansion of the livestock industry is the availability of summer grazing lands. In addition to the limitation of grazing lands, infrastructure required to manage livestock on pasture (water, fence, corrals, etc.) is often viewed as a limiting factor to individuals wishing to diversify into cattle. The cost of converting cultivated lands to perennial forage requires up front costs along with a lag period to achieving economical use of the lands.

Background for sub-recommendation 3

Producers wishing to expand their cattle herd sometimes face limitations in terms of acquiring lands, converting these lands to forage and also financing their cattle expansion.

In some areas, there is an excess of land for sale with few purchasers. In other cases, lands may be available for sale adjacent to existing grazing operations including community and co-operative pastures.

- **Expands the Livestock Loan Guarantee Program** (bison females, feedlot program, expanded dollars in existing program). (FIFS, page 17)

Background

The feeder/breeder livestock loan guarantee program has been very successful for Saskatchewan producers, and the expansion of such programs would assist other livestock industries in the province. This program helped to support over $1 billion in lending over the past 15 years and the loan loss has been 0.2 per cent over this time period.

- Develops a **central registry of available service providers** and producers' demand for services to facilitate a more effective use of agriculture resources. (FIFS, page 17)

Background

Saskatchewan Agriculture and Food currently provides the Feed and Forage Listing Service to enable producers to advertise their feed and related products for sale to other producers. Providing a central registry of available service providers to include a broader list of agricultural services such as custom work availability would facilitate efficient use of current resources.

- Examines available options for **assisting producers** such as loan guarantees in other areas, interest subsidies or tax incentives for those **in transition to sustainable production systems**. (FIFS, page 17)

Background

To have a sustainable primary agricultural sector in this province we must:

- protect the natural resource base; prevent the degradation of soil, water and air quality; and conserve biodiversity;
- ensure a safe and high quality supply of agriculture products;
- safeguard the livelihood and well-being of primary agriculture and agri-food workers and their families; and
- contribute to the economic and social well-being of all Canadians.

The awareness of the impact and reliance on the environment by producers and consumers has triggered the need to examine and respond to a number of issues. Food quality and safety, and environmental stewardship are issues affecting society as a whole and must be addressed with that in mind.

These trends suggest that new and innovative approaches are needed to help farm families adjust to the challenges that lie ahead and end the cycle of recurring farm crisis.

- **Provides linkages between producers and technical expertise** on market information, market access and development issues. (FIFS, page 17)

Background

Saskatchewan's small population ensures that we will always be reliant on export markets. Providing producers and agribusiness with improved market access and market information will enhance their ability to access these export opportunities.

4.2 Rural Manufacturing and Construction Recommendations

- Explores the concept of **"business clusters" for the rural manufacturing and construction sector**. (RMC, page 13)

Background

The subcommittee, in reviewing the example of the machinery and metal fabrication industry that evolved in the Humboldt area, felt their may be some advantages in encouraging "business clusters" for the industry. The cost of infrastructure (utilities, roads, etc.) would be more readily available and would be less costly than having to develop this infrastructure at a number of locations throughout the province. In addition there would be a larger labour pool available to the industry without having to locate in a larger centre.

- Promotes the rural manufacturing and construction sector to the people of Saskatchewan explaining about its contribution to the community. (RMC, page 13)

Background

In general, the public does not have an appreciation of the benefits and the impact of this sector on the provincial economy. A program poised at elevating the awareness of this industry should be pursued. The creation of a manufacturing week should be considered to highlight the broad range of manufacturing that exists within Saskatchewan, to change the perception that this industry is low-tech and to use it as a tool to reward our local players for the successes they have achieved. Information gathered in the promotional events could be further utilized as literature for promoting our province abroad and for investment attraction purposes.

4.3 Health and Emergency Services Recommendations

- **Enhances the province's emergency services** to provide rural residents with effective emergency services and speedy access that will ensure delivery of primary health care facilities and services on a co-ordinated, integrated and multi-disciplinary team basis. (RS, page 6) (CIE, page 15)

Background

Lack of health services and uncertainty about access to health care services such as primary health care, home care, emergency services are a major concern for rural Saskatchewan residents. People need to know what health services they can be assured of receiving within their rural communities.

Development can only happen with the assurance that adequate health and emergency services are in place within rural communities. Lack of equitable emergency services is a limiting factor in attracting development, maintaining on-going businesses and retaining the population base. Development will not happen without assurance of health/emergency services being in place.

4.4 Energy Sector Recommendations

- Invests significantly in **research aimed at reducing fuel consumption and development of alternative fuel sources**. (FIFS, page 18)

Background

Saskatchewan producers spent an estimated $504 million on fuel in 2000 representing 11 per cent of their total estimated gross operating expenses. Reducing producer's fuel costs can improve their profitability. Utilizing alternative fuels may also prove beneficial to the environment.

5. Facilitating Change

We live in a millennium of change where individuals and sectors will be challenged to prepare for that change. The key will be to ensure that the changes are significant and sustainable.

ACRE recommends that the Government of Saskatchewan:

- In conjunction with all provincial associations/ organizations and media, develops and commits to an **action plan that builds positive attitudes** and promotes the attributes of rural Saskatchewan. (ED, page 31)

Background

Many people view Saskatchewan as a dead end with no future and a terrible place to be. There is the attitude "Anyplace is better than Saskatchewan." The negative attitude about Saskatchewan is compounded by the problem of living next door to Alberta. Saskatchewan residents have the tendency to always compare themselves to Alberta, a much richer and more entrepreneurial province. A common theme is "Why can't we be like Alberta?" However, very few people compare us to Manitoba, a province that is much closer to us in terms of population and wealth.

The negative attitude that prevails in Saskatchewan is accentuated by the media, which highlights negative stories, and down plays positive stories. For example, when 30 farmers occupied the Legislative Building during the winter of 2000, the media maintained a constant and high profile presence. In contrast, during this same time period there was little or no media coverage of a soil conservation conference in Regina, attended by 1,400 farmers.

6. Research and Development

As a basis for the birth of new activity in the province, the government must invest in publicly accessible applied research and development.

ACRE recommends that the Government of Saskatchewan:

- Invests a maximum amount of available government dollars into **publicly accessible applied research and development that will provide the greatest benefits in opportunity areas, education and technology transfer for the industry**. (FIFS, page 18)

  Background

  "Agricultural research has undergone a major transformation in Canada. Historically, the majority of agricultural research was carried out in public institutions, either at federal government research stations or at publicly funded university research farms. In recent years, intellectual property rights (IPR) have been established for many of the products of agricultural research. Moreover, government funding of research has also changed. These changes have increased the incentive for private research, which in turn has resulted in a dramatic increase in the private funding of crop research in Canada."[23]

  Concerns have been expressed "about potential adverse effects from the privatization of agricultural research such as increased input costs, reduced competition in research sector and the "freedom to operate" of the breeding firms."[24]

- **Invests in research in farming practices** that help farmers better utilize land and energy resources (e.g., integration of livestock and field crop production to reduce reliance on synthetic fertilizers). (FIFS, page 18)

  Background

  Producers spend a significant portion of their funds on farm inputs. Research into the utilization and management of low input production systems may provide an opportunity for producers to alleviate a portion of their operating expenses.

Other Recommendations

The following is a list of non-priority recommendations developed and approved by each of the subcommittees, but not approved by the whole ACRE committee. These recommendations are provided to the readers of the report for their convenience. For those who are interested in more information they should read the subcommittee reports.

Agriculture Subcommittee

1. The people of Saskatchewan should take the dramatic measures necessary to realize the opportunity inherent in the expansion of a feeding industry.

2. The Government of Saskatchewan should ensure that financing for intensive livestock is available for primary producers who wish to pursue the opportunities that are available. Opportunities to finance world-scale livestock breeding operations or viable feeding operations, not categorized as an intensive livestock operation, must also be examined. Options should be developed that will allow self-directed RRSP contributions to be used in local operations. Federal government support and participation will be essential. Financing options that already exist (such as the Saskatchewan based Labour Sponsored Venture Capital Funds) should be more effectively promoted.

3. There is a need to recognize that the limited number of existing players in the feeding industry has led to limited experienced management to initiate and operate new projects.

4. Government should take efforts to promote leadership, entrepreneurship development and recruitment.

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[23] Gray, Richard, Stavroula Malla and Shon Ferguson, Agricultural Research Policy For Crop Improvement in Western Canada: Past Experiences and Future Directions, Centre for Studies in Agriculture Law and Environment, University of Saskatchewan. A Final Report prepared for Saskatchewan Agriculture and Food, February 2001, page ii.

[24] Ibid, page ii.

5. It is recommended that government investigate new approaches to get projects off the ground with less unnecessary delays and expenses for proponents. Complementary efforts with local governments to develop consistent, transparent criteria for project approval will also be required.

6. A study should be commissioned to interview ILO proponents who have successfully completed their projects so that they can identify, in practical terms, the steps that were necessary for the completion of their projects and the kind of issues they encountered.

7. Saskatchewan should become a world leader in protecting the larger environment vis-à-vis livestock production. Accepted practices need to be monitored and enforced so that people living in or preparing to move to Saskatchewan need to feel that the government is protecting their health and safety. The province and livestock industry should participate fully in federal/provincial initiatives to create a national approach to on-farm environmental planning.

8. An expansion of permanent cover programming is recommended. In addition, extension efforts to ensure producers have access to the most up to date forage management plans will be essential.

9. The Government should work with private sector partners to develop increased meat processing in the province. These efforts would include assessing impediments that restrict meat plants from gaining an inspection status that would enhance market access opportunities (currently only federally inspected plants can ship out of province).

10. The government should work with industry to explore integrated production units where economics encourage a critical mass.

11. Government should also consider the establishment of a feed processing facility that can research and demonstrate the processing, combining of constituents and evaluating all manner of feed stocks for livestock.

12. A study should be commissioned to examine the opportunities for products such as free-range hog production (ethical and environmentally sensitive production).

13. The government should be an advocate and provide incentives for the development of "infrastructure corridors" where various intensive agricultural operations could gain the benefits of faster and cheaper hook-ups to infrastructure (gas, electricity, communications, water and transportation) that have been placed along the most logical common track.

14. The government should make transparent decisions on the public policy objectives of the Crowns in an open public discussion (examples of public policy objectives include cross subsidies for utility rates and service/access standards) and be prepared to fund these decisions appropriately. For example, the province should make available direct support to the utilities to keep rates and hook up charges in rural Saskatchewan competitive with urban areas.

15. The total acreage in Saskatchewan under irrigation should be increased. This would include new infrastructure at existing sites and modernization of some of the existing infrastructure. This would include expansion at Outlook and a close assessment of the potential at other sites, including Rafferty and other basins along the Saskatchewan River. New forms of small-scale irrigation, which utilize smaller bodies of water, should be considered.

16. Immigration could be utilized to bring producers into the province that have experience in growing products which take full advantage of irrigation opportunities.

17. Processing of horticulture crops could be encouraged to enhance the viability of irrigation production.

18. The linkage between developed irrigation and ILOs in other provinces leads to the need for an examination of why the livestock industry underutilizes irrigated areas in Saskatchewan.

19. An active push to establish New Generation Co-operatives (or other appropriate structures) to process horticulture crops could be considered in conjunction with the development of an irrigation-based food-processing park.

20. A key element of the feeding industry across Canada is the supply-managed sector (poultry and dairy) representing one-third of the feed grains used. The sector accounts for 20 per cent of Canadian receipts and is among the most profitable sectors of agriculture. The Government of Saskatchewan should develop and implement a growth strategy that will allow supply-managed production to grow to five per cent of our cash receipts by 2004.

21. It is recommended that as government develops programming and regulations, that it builds in sufficient flexibility to allow for the unique needs of niche products and emerging sectors. Leadership in gathering the early initiators to discuss a common strategy would reduce the duplication of effort. Educational support and extension information could enhance uptake of the new opportunity. Nesting of some industries with respect to processing, production and marketing could apply.

22. The Government of Saskatchewan should ensure that small organizations have the financial capacity to provide educational material on implementing new opportunities. Further, the Government should ensure that it has the extension capacity to provide producers with information on these emerging areas.

23. Orchards of small fruits are being developed in isolation despite the fact that volumes are required to establish processing and marketing. Industry leadership in the fruit industry should be encouraged to examine options on how to address this issue.

24. One of the problems identified for the development of farm-based tourism is high insurance premiums. A useful move would be to pull the insurance industry together and give them an opportunity to respond, and failing a satisfactory result, examine alternative ways of group insurance.

25. The heavy horse and recreational horse industries are depending on the myths of the past to sustain their qualities. There could be a useful effort made to redevelop standards for horse use and display, and people trained to maintain them. Saskatchewan could become a major centre for heavy horse culture and the spin-off benefits.

26. The possibility of co-generation of energy from ILO wastes should be examined.

27. It is suggested that the technology of large wind farms is approaching the cost of other sources of electricity. The technology of small individual farms with wind-electric units has been allowed to decline. Both areas deserve careful investigation.

28. The processing of meat from specialized livestock, particularly bison and elk, is stumbling because of a lack of aggressive marketing and an adequate local processor. Such a Saskatchewan plant would be desirable.

29. Efforts should be made to increase the production and utilization of ethanol.

30. Initiatives that would promote and develop the non-food use of agricultural production should be expanded.

31. It is recommended that the Government of Saskatchewan strongly lobby the federal government to create open access for rail infrastructure to enhance competition in the rail sector and lead to benefits for producers.

32. The government should explore the economic feasibility of constructing a world scale container port.

33. It is recommended that a study be commissioned to examine the necessity of improving transportation ties to Calgary as a prerequisite step to any viable, world scale processing growth.

34. The government needs to ensure that a key network of quality highways connects the major rural centers with the transportation/service city hubs.

35. It is recommended the government consider the emerging economy as it conducts its transportation planning. For example, the development of key north-south road corridors will be essential if Saskatchewan is to take advantage of emerging opportunities resulting from NAFTA.

36. It is recommended that the Government of Saskatchewan actively pursue increased air access to major business and resource hubs to meet the needs of business travelers.

37. It is recommended that government consider a program that would provide property tax credits to new construction, along locally identified transportation routes, for those producers who wish and are able to locate new buildings along these key corridors.

38. Creating a more prosperous agricultural economy is a key first step. However, to be sustainable rural Saskatchewan requires the maintenance of a critical mass of people in the rural area. It is recommended that agricultural policy identify the lead role that agriculture can play in maintaining a rural population base.

39. It is recommended that both levels of government conduct a review of their policies to determine whether measures can be taken which would support part-time farms.

40. It is recommended that government create, manage and advertise two registers that would link producers wishing to retire with those wishing to enter the industry. These new entrants would have available financial bridging support from government.

41. It is recommended that students who return and stay on the farm after successful completion of a post-secondary course related to agriculture could have all or a portion of their tuition forgiven.

42. Government could provide concessionary financing to new entrants (low interest loans, interest rebates, etc.), which would be designed to minimize capitalization of benefits.

43. Programming should be provided that would provide new entrants with a wider range of management/marketing assistance until they have developed individual expertise.

44. Intergenerational transfer of farms contains a number of additional considerations beyond those for new entrants. For example, retiring parents need to have timely access to sufficient capital to retire and need to be confident that the risk of future financial difficulty of the farm will not jeopardize their retirement. Programming needs to be developed to address the specific issues of those exiting the industry.

45. It is recommended that courses be expanded at SIAST to train workers for the emerging agricultural opportunities by 2002. These courses should focus on rural high school students and have a strong work term element and utilize distance education as much as possible.

46. Agricultural programming at the University of Saskatchewan should also contemplate whether the above principles could be incorporated into their course offerings.

47. The government should make a concerted effort to attract immigrant farmers and farm workers to rural Saskatchewan.

48. To achieve the rural population growth objectives, it is recommended that strategies focussed on retention of rural residents, encouragement for inter-provincial in-migration, international immigration and support for families be considered as elements in this plan.

49. Ensuring the Aboriginal population base in Saskatchewan has good job opportunities is essential if we are to ensure that we constructively engage this growing element of our population.

50. Further efforts need to be pursued to increase Aboriginal participation in agriculture.

51. ACRE supports government giving full consideration to the public policy benefit associated with rural economic development when targeted support is provided.

52. The government should encourage producers to use all tools and organizational structures that allow them to work together co-operatively.

53. Many producers will need assistance growing their marketing skills to take advantage of the export market. Government should work to expand the export development insurance that is available to producers.

Agri-Value Subcommittee

1. That the Rural Revitalization Office lead a project to develop and maintain a comprehensive catalogue of provincial resources by 2003 in support of provincial economic development.

2. Targeted tax relief or research grants for companies, co-operatives and/or non-government organizations that commercialize research leading to investment and employment in Saskatchewan.

3. That the provincial government establish a source of patient, affordable capital specifically for Saskatchewan based agri-business ventures.

4. That the government establish a fund that would enable equity investment into new or expanded agri-business by smaller groups of interested investors in local communities.

5. That the Saskatchewan Securities Commission (SCC) increases the threshold for SSC filing exemptions for agri-businesses from $1 million to $5 million.

6. It is recommended that the government co-ordinate a stakeholder evaluation of the viability of creating a "Food Park" in support of the food processing industry. This evaluation would identify the capacity that is currently available to support a developing food processing industry.

7. It is recommended that the ACRE round table on labour investigate ways to work co-operatively with First Nations and Metis people to increase their employment opportunities in rural Saskatchewan.

8. It is recommended that the Corporate Capital Tax be changed so that the exemption threshold is increased or that the tax is based on profitability.

9. It is further recommended that ACRE form a subcommittee to deal specifically with taxation and the impacts on rural economic development.

10. That SAF work with government and industry stakeholders to develop a streamlined provincial approval process to facilitate the development of agri-business enterprises. This would effectively provide a high-level policy harmonization in Saskatchewan.

11. That SAF undertake a proactive Intensive Livestock Operation (ILO) site development process. Working in partnership with local communities interested in economic development, SAF would attain all of the regulatory approvals needed to develop an ILO. Once complete, SAF would turn the approved site over to the community so they could market it to ILO proponents.

12. The governments of Saskatchewan and Canada, along with industry, develop a comprehensive food safety regulatory framework and training program for the provincial agri-food industry that would address the needs and concerns of all points along the food chain.

13. It is recommended that highway corridors based on access to centres of trade be established by the Government of Saskatchewan as a fundamental element of building a strong processing industry.

14. It is recommended that the Government of Saskatchewan actively pursue increased air access to Regina and Saskatoon to meet the needs of business travellers.

15. It is recommended that the Government of Saskatchewan lobby the federal government to create open access on the rail infrastructure to enhance competition.

16. The provincial government explore the economic feasibility of constructing a world scale container port.

17. The Government of Saskatchewan implement a focussed communications strategy with industry and community organizations to communicate that Saskatchewan is a place of opportunity. This proactive communication needs to occur both within the province and beyond and would cover areas such as business environment and our competitive advantages. It would demonstrate the diversity of agri-value opportunities in Saskatchewan.

18. That the provincial government work with the large Saskatchewan newspapers to promote the positive side of the agri-food industry.

19. That Saskatchewan Agriculture and Food initiate an 'Award of Merit for Leadership in Agriculture' to celebrate leadership and success in the value-added industry. This award should be presented by the Premier to create a very high profile.

Resources Subcommittee

General

1. Generally, there is a lack of knowledge in Saskatchewan about the resource sector and its contribution to the rural economy. The committee recommends that the benefits of the resource sector, particularly in terms of employment, be built into the larger communications strategy to encourage rural Saskatchewan to welcome the economic growth opportunities and employment associated with resource development.

2. The committee recommends that the Province of Saskatchewan develop a labour strategy to meet the resource sector's ongoing labour needs. This strategy needs to recruit youth and Aboriginal people and provide them with the necessary skills so that they can live and work in rural Saskatchewan.

3. First Nations control a large land resource that is an integral part of rural Saskatchewan. The committee recommends that the Government of Saskatchewan work with First Nations to facilitate development of First Nation resources.

Oil and Gas

4. The provincial government is encouraged to continue to better align the electricity rates charged by SaskPower with the average cost to SaskPower of providing the service, i.e., reduce the cross-subsidization.

5. The industry has developed a niche of expertise in the development of marginal reserves and the province must continue to support relevant oil and gas research and development, through facilities such as the Petroleum Technology Research Centre.

Mining

6. Taxation is still the major disincentive to attracting new investment capital. The provincial government should eliminate or phase out the Corporation Capital Tax Surcharge to maintain the province's competitiveness with other jurisdictions.

7. The provincial government should continue to examine royalty rates for the various non-renewable resources to ensure they are competitive with other jurisdictions.

Forestry

8. The committee recommends the province encourage training of rural residents, including First Nations, to participate in opportunities related to the forestry sector.

9. The provincial government should also support the Forest Centre of Excellence (value-added research and identification of market opportunities).

10. There are opportunities to use the province's hardwood resource (poplar) for purposes including, but not limited to, oriented strand board. The committee recommends that the province create awareness of the opportunities for utilizing the province's hardwood resource so that private investment and related employment can occur.

Land

11. Saskatchewan must establish and maintain a complete, accurate and current ecological and geological information database and increase its availability to industry in order to compete with other jurisdictions for limited exploration and development dollars.

12. The provincial government, through Municipal Affairs and Housing, needs to ensure that there is consistency in zoning and development and that a proper balance between provincial and local interests is established so that provincial opportunities and interests are not foregone.

Crown Land

13. It is recommended that the Saskatchewan government examine mechanisms to form or expand existing community pastures or co-operatives through public/private/corporate partnerships.

Rural Manufacturing and Construction Subcommittee

Growth Stimulation in the Sector

1. There is a need to address industry training needs, expose industry to best practices, the latest advanced technologies, providing adequate R&D infrastructure, maintaining a good transportation system, streamline provincial regulations and implementing a plan to ensure long-term competitiveness.

2. Saskatchewan Research Council (SRC) diagnostics identified that 55 per cent of the manufacturing firms surveyed were having difficulty with quality but only 12.5 per cent of the group surveyed were ISO certified and 52.5 per cent had no system for quality assurance. In general, the industry does not value the benefits of a formal quality system nor do their customers recognize or require such a system. More education is required to raise the awareness of the costs of defects and the benefits of continuous improvement and the benefits of managing quality. There is a need to continue to enhance the awareness of benefits of constant improvement and quality control and assist industry in implementing these principles.

Free Trade

3. Free trade is viewed as a reality and it is perceived as benefiting the sector allowing for greater participation in a global market place. We need to pursue freer trade in both Europe and South America and address some of the inter-provincial trade barriers that exist in Canada.

General Issues

4. Need to develop a comprehensive business strategy for the province that looks at: taxes, labour laws, infrastructure (communication access, roads, rail, air service), training, public education, trade issues and Aboriginal issues as noted in some of the above recommendations. In general, creating an environment that is stable (not changing every time a government changes) in which people are willing to make a long-term investment.

Aboriginal and Metis Involvement

5. The Aboriginal population represents about six per cent of the total manufacturing workforce in Saskatchewan. There is definitely room to increase this percentage, which would fit in well with the ever-increasing Aboriginal population. The biggest stumbling blocks to growth seem to be that Aboriginals have traditionally been shut out of the higher paying jobs in manufacturing due to a lack of skills and education. They view manufacturing jobs as low paying and are not that excited to join the workforce in this sector. Aboriginal females represent only one per cent of the total manufacturing workforce and have no reason to feel wanted in this sector.

6. Another area where there is room for improvement is Aboriginal ownership of businesses in this sector. The only Aboriginal owned and based business in this sector is the Kahkewistanhaw Indian Nation custom metal fabrication company. One opportunity is the fact that the Aboriginal people have a lot of land that could be used to house manufacturing facilities. This is an area that needs to be explored either from an Aboriginal owned business view or in partnership with the private sector.

Rural Service Subcommittee

1. That the Government of Saskatchewan provide funding to the Saskatchewan Transportation Company to provide basic public passenger and freight transportation services to rural Saskatchewan where use warrants.

2. The Department of Highways must have a three-year capital works program to be more timely and cost-effective and to allow multi-year funding commitments.

3. Publicly funded agriculture development programs and services need to be maintained and enhanced to further the growth of Saskatchewan agriculture at primary production and value-added levels.

4. Education on water quality management and monitoring is needed for rural residents and municipal technicians.

5. Support and promote the concept of local municipalities and professional/trade organizations financing the education of tradespersons and professionals, with a requirement for service in rural Saskatchewan.

6. Recognize the need for isolation and remoteness incentives to attract professionals to rural areas.

7. There is need to create awareness of what citizens can do to supplement police services through programs such as: Rural Crime Watch, Crime Stoppers, and Citizens on Patrol.

8. Training for firefighting must include rural conditions.

9. Entrepreneurial training is needed for arts and culture. Research on opportunities and business models needs to be made available.

10. Performing and visual arts events, often located in larger urban centres, provide rural communities with opportunities for community-based entertainment and culture which provides diversity and an enhanced quality of life. Public arts policy must assist rural areas to develop these opportunities at a local level.

11. That entrepreneurial training be developed and included in our K-12 school system.

12. Given the continuation of declining enrolments and school closures, policies and programs for renovations of facilities must be given at least the same priority as construction of new facilities.

13. Saskatchewan's universities need to be aggressive in recruiting and thus retaining our best high school graduates through scholarships and other incentives.

14. In allocation of "seats" in various professions and disciplines in post-secondary education, priority should be given to students who will commit to future service in rural Saskatchewan.

15. Enhance agriculture in the school curriculum and acknowledge its importance to Saskatchewan and Canada.

16. Highway signage is very important to rural communities and businesses. Directional signage for communities must be effective and up-to-date. Provision of signage within the highway right-of-way for specific businesses and community services should be available on a cost-recovery or cost-shared basis.

17. The subcommittee endorses SaskPower's Green Power Program and the pursuit of wind-power, co-generation and other electricity generation alternatives, many of which appear to be feasible in rural Saskatchewan.

18. A program should be established to assist small communities with the energy costs of operating cultural and recreational facilities and to encourage energy efficiency in operating local facilities.

19. The subcommittee strongly reiterates the January 2001 recommendation of ACRE for extension of high-speed Internet and cellular telephone services throughout Saskatchewan.

20. Incentives to promote exploration and development of natural gas in Saskatchewan should be considered.

21. Develop a fully integrated, comprehensive, multi-discipline single source database of information available to municipalities, economic development organizations, businesses, professionals and others including detailed information on soil, water supply, transportation infrastructure, incentives, local government structure, land ownership and taxation.

22. Better integration of agriculture, economic and rural development programs and services should be pursued with municipalities, REDAs, Community Futures projects, and provincial departments to:

    - Eliminate duplication.
    - Create efficiencies, linkages and synergies.
    - Create a "one-stop shopping" service.

23. A local approach and co-operation between municipalities should be encouraged for firefighting services. Incentives should promote co-operation between municipalities.

24. Government needs to play a strong advisory, advocacy, co-ordination and regulatory role to ensure the protection of vital water resources for present and future generations.

25. That provincial government approval processes for zoning, planning and development, water and sewage, and other approvals be reviewed and streamlined to be more time efficient and to meet the needs of proponents. The subcommittee recognizes that this could ultimately require further resources.

26. Specific opportunities in agri-tourism and eco-tourism must be identified and qualified; and potential rural private and public sector partners must be involved in the development of these opportunities.

27. Specific opportunities in Aboriginal tourism must be identified and qualified involving First Nations and Metis in that process and subsequent development.

28. There needs to be greater access to hunting licenses for foreign hunters using Saskatchewan outfitters.

29. The role and financial support of the Prairie Farm Rehabilitation Administration (PFRA) in farm and rural water development, which has diminished in recent years, should be restored to previous levels.

30. In an effort to be more proactive, all jurisdictions responsible for roads and transportation must do a better job of educating the public on the load capacity of roads and highways, the importance of weight compliance and safety issues.

31. SaskEnergy's approach to link rural offices by electronic communications technology and move work to offices with capacity is a model to be considered by provincial government departments, Crown corporations and agencies to maintain a presence in rural Saskatchewan, avoid office closures and provide employment.

32. The first priority must be an effective primary health care strategy and system that is proactive, understood and supported by funding. Only when this is in place can an effective governance model be developed with clear definitions and understandings of roles, authority, accountability and autonomy.

33. Remove the politics from planning and resource allocation decisions.

34. There is urgency to ensure speedy implementation of a province-wide 911 emergency response system.

35. Greater inter-municipal co-operation for staffing and infrastructure development and maintenance related to water quality and waste management needs to be pursued. For example, a municipal employee with expertise and training in water quality and waste management could provide these services to neighbouring municipalities on a contract basis.

Farm Income and Farm Structure Subcommittee

Farm Ownership

1. Given that the opportunities in this province far out-weigh the capacity of our internal capital resources, the attraction of outside investment will assist in stimulating growth and economic development within the agriculture sector. In an effort to put our industry on a more level playing field with neighbouring provinces when it comes to attracting outside investment into the industry, the province should consider changes to the Farm Ownership Provisions under The Saskatchewan Farm Security Act.

   - The provincial government should remove the residency requirements under The Farm Land Security Act for all individuals who are Canadian citizens.
   - The provincial government should examine lifting the ownership restrictions under The Farm Land Security Act for specific development corridors or value-added agricultural industries that are known to have significant local economic impact and are currently generally approved under the existing exemption provisions (horticulture, livestock, etc.). The objective is to encourage outside investment in Saskatchewan into areas that will stimulate growth within the province.

Farm Support

2. Adequate short-term assistance is still required for stabilization and disaster programming during the transition period. In order to make the most effective use of this funding government must adjust current programs to better target need, including improved disaster protection. The provincial Farm Support Review Committee and the National Safety Net Review process must be directed to find meaningful changes to the package of farm support programs (crop insurance, the Net Income Stabilization Account [NISA] program, and the Canadian Farm Income Program [CFIP]) including improving existing programs, the possible elimination of programs or portions of programs and the introduction of new programs. It is essential that governments and the general public recognize that producers are not seeking income assurance but rather, adequate protection against disasters.

3. Any programs, long or short-term, must be designed to be accessible to all producers, including First Nations farmers.

4. Examines the impact of the current education governance structure on system efficiency and decision-making.

Community in Evolution Subcommittee

Education

That the people of Saskatchewan will:

1. Develop a vision of public education that promotes a broad liberal education at the secondary level, ensuring post-secondary institutions have a vision of specialized education.

2. Adopt the philosophical structure of community schools in rural education systems as outlined by Saskatchewan Education. As a hub for a network of community organizations, community schools can foster the development and well-being of the entire community.

That post-secondary institutions will:

3. Change post-secondary requirements (real and assumed) to reflect the vision of public education (e.g., calculus, seven sciences).

PST Revenue for Rural Development

4. Amend the PST legislation to direct five of the six provincial tax points collected in urban Saskatchewan to the general provincial revenue and one provincial tax point to the Saskatchewan Opportunities Foundation.

5. Amend the PST legislation to direct two of the six provincial tax points collected in rural Saskatchewan to the general provincial revenue, two of the six provincial tax points to Saskatchewan Opportunities Foundation and two of the six provincial tax points back to rural business and community

Tools for Economic Development Subcommittee

Immigration

1. This recommendation builds on the previous recommendation approved by ACRE on January 25, 2001: "That the Government of Saskatchewan promote immigration of families and extended families and that the obstacles for professions such as teachers and nurses be eliminated, and that farmers and agriculture workers be considered as a priority and that potential partnerships be developed with First Nations for the utilization of labour and Treaty Lands as well as provincial farm lands."

Accessing Capital

2. This recommendation builds on the previous recommendation approved by ACRE on January 25, 2001: "That the Government of Saskatchewan dedicate a pool of financial resources to create a venture capital fund that can be accessed by professional financial management firms to leverage private capital. Such a fund will be arms-length from government, managed by a financial management firm and utilize a transparent formula designed to ensure that venture capital funds utilizing public investment are required to invest in Saskatchewan companies, employing less than 300 people and having 25 per cent of their paid workforce headquartered in Saskatchewan based on the ratio of public and private capital in the fund. The amount of money invested in Saskatchewan ventures would be based on the percentage of government funds in the total venture capital fund."

For example, if there is a $25 M agri-value venture capital fund of which 70 per cent is public investment and 30 per cent is private, the fund will be required to have 70 per cent of its investments in Saskatchewan ventures.

3. That senior levels of Government examine the feasibility of creating a program aimed at leveraging private capital for investment in small ventures.

Broadband Services

4. That the Government of Saskatchewan co-ordinate its Community Net initiative with any future federal initiatives that may be developed in response to the recommendations from the National Broadband Task Force.

5. That the economic development and/or delivery opportunities presented by Community Net be taken into consideration in determining the most efficient provision of health care services in rural and remote Saskatchewan.

6. That the economic development and/or delivery opportunities presented by Community Net be taken into consideration in determining the most effective provision of educational services in rural and remote Saskatchewan.

7. That the Government of Saskatchewan create and implement an education and training program that enables rural and remote residents and businesses access to training in order to fully understand and utilize computer and Internet services provided through Community Net.

8. That the Government of Saskatchewan provide appropriate funding for help desk services for rural and remote Internet and computer users.

Rural Housing

9. That the Government of Saskatchewan develop an Internet based central cataloguing system of available SaskHousing units for rent or purchase in rural Saskatchewan.

Leadership

10. That the Government of Saskatchewan and the Government of Canada work together to implement a province-wide mentorship program where, for example, a project manager would be assigned to a non-profit project in a community to work with the volunteers for a period of time, up to 60 days, to initiate the planning process and provide direction and experience of navigating through the regulations of government and financial institutions.

Community Development Granting Foundation

11. That the Government of Saskatchewan form a Task Force to study the feasibility of establishing a foundation similar to Ontario's Trillium Foundation that would support rural community economic development initiatives.

VI IMPLEMENTATION AND ACCOUNTABILITY

Throughout the ACRE process and in discussions with rural residents, the issue of whether the province would implement the recommendations proposed by ACRE was expressed on a number of occasions. There is a genuine concern that this report and its recommendations will be presented to government, and like other reports will be "put on a shelf to collect dust." ACRE members and rural residents believe that the revitalization of rural Saskatchewan and the findings of this report are too important to be ignored.

To prevent the report from "collecting dust" and to ensure that the recommendations are acted upon, ACRE feels that a monitoring process needs to be established. The ACRE Committee, therefore, asked the ACRE executive to set up a working committee to develop an accountability and monitoring mechanism. The committee will establish criteria for evaluating the implementation of the recommendations and will develop a mechanism for reporting back to rural residents.

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APPENDIX 1

ACRE Representatives

ACRE CO-CHAIRS

Honourable Clay Serby, Deputy Premier and Minister,
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Audrey Horkoff, Past President
Canadian Western Agribition
Kamsack

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Brad Wildeman, President
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Saskatchewan Livestock Association
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Wayne Bacon, President
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Meota

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Naicam

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Petroleum Services Association of Canada
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Saskatoon

John Serhienko, Chair
Agriculture in the Classroom
Blaine Lake

Marion Zerr, Executive Director
Saskatchewan Council of Senior Federal Officials
Regina

APPENDIX 2

Dates and Locations of ACRE Reporting Back Meetings

Humboldt – February 6, 2002

Maple Creek – February 11, 2002

North Battleford – February 12, 2002

Swift Current – February 12, 2002

Melfort – February 13, 2002

Weyburn – February 13, 2002

Assiniboia – February 14, 2002

Fort Qu'Appelle – February 18, 2002

Outlook – February 18, 2002

Kindersley – February 19, 2002

Yorkton – February 19, 2002

Moosomin – February 20, 2002